



**Audit Committee Meeting**  
**Friday, September 23, 2022 at 8:00 a.m.**  
**[www.glwater.org](http://www.glwater.org)**

**Join Zoom Meeting**

Meeting ID: **872 5123 0179** Passcode: **733921**

US Toll-free: **888 788 0099** or **877 853 5247**

**AGENDA**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
  - A. August 26, 2022 (page 2)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
  - A. 2022 Bond Transaction Update (page 7)
7. NEW BUSINESS
  - A. *Action Item:* FY 2023 First Quarter Budget Amendments (page 22)
  - B. *Action Item:* Procurement Policy Amendment (page 62)
8. REPORTS
  - A. CFO Report (page 115)
  - B. Monthly Financial Report for June 2022 (page 136)
  - C. Business Inclusion and Diversity Program Update (page 137)
  - D. Member Partner Update (page 149)
  - E. Max Day/Peak Hour Annual Report (page 151)
  - F. Shared Services Update (page 153)
  - G. Quarterly Gifts, Grants & Other Resources Report (page 159)
  - H. Quarterly Construction Work-in-Progress Report (page 170)
9. COMMUNICATIONS
  - A. *The Procurement Pipeline* for September 2022 (page 191)
10. LOOK AHEAD
  - A. Next Audit Committee Meeting: October 28, 2022 at 8:00 a.m.
11. OTHER MATTERS
12. ADJOURNMENT

Note: Binder 1 and agenda items 8A & 8B have been combined and PDF was renumbered.  
PDF pages 121-135 are 8.5x14



# Great Lakes Water Authority

## Meeting Minutes - Draft

735 Randolph Street  
Detroit, Michigan 48226  
glwater.legistar.com

### Audit Committee

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Friday, August 26, 2022

8:00 AM

Zoom Telephonic Meeting

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#### Zoom Telephonic Meeting

**Join Zoom Meeting Here:**

[https://glwater.zoom.us/j/86353678961?  
pwd=TFYrWkVqYTFORHFBbnFHRi9uUVhaUT09](https://glwater.zoom.us/j/86353678961?pwd=TFYrWkVqYTFORHFBbnFHRi9uUVhaUT09)

**Join By Telephone:**

**888 788 0099 US Toll-free**

**877 853 5247 US Toll-free**

**Meeting ID: 863 5367 8961**

**Passcode: 862031**

#### 1. Call To Order

Chairperson Baker called the meeting to order at 8:00 a.m.

#### 2. Roll Call

**Present:** 3 - Chairperson Brian Baker, Director Gary Brown, and Director Jaye Quadrozzi

#### 3. Approval of Agenda

**Nicolette Bateson, Chief Financial Officer/Treasurer, requested to move Item 8D. (Quarterly Investment Report) to Item 6A.**

**Chairperson Baker requested a Motion to Approve the Agenda as Amended.**

**Motion By:** Jaye Quadrozzi

**Support:** Brian Baker

**Action:** Approved as Amended

**The motion carried unanimously.**

#### 4. Approval of Minutes

**A. [2022-379](#) Minutes of July 25, 2022 Special Meeting**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [4A July 25, 2022 Audit Committee Special Meeting Minutes](#)

**Chairperson Baker requested a Motion to Approve the July 25, 2022 Audit Committee Special Meeting Minutes.**

**Motion By:** Gary Brown

**Support By:** Jaye Quadrozzi

**Action:** Approved

**The motion carried by a unanimous vote.**

**5. Public Comment**

**There were no public comments.**

**6. Old Business**

**A. [2022-385](#) Quarterly Investment Report**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8D1 Quarterly Investment Report Cover Memo August 2022](#)

[8D2 GLWA Quarterly Report June 2022 Final](#)

**Motion By:** Jaye Quadrozzi

**Support By:** Gary Brown

**Action:** Received and Filed

**The motion carried by a unanimous vote.**

**B. [2022-380](#) 2022 Bond Transaction Update**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [6A - 0 Update 2022 Bond Transaction](#)

[6A1- Rating Agency binder](#)

**Motion By:** Jaye Quadrozzi

**Support By:** Gary Brown

**Action:** Received and Filed

**The motion carried by a unanimous vote.**

**7. New Business**

**A. 2022-381 Approval of the Water Residential Assistance Program (WRAP) Policy**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [7A1 AC Memo - WRAP Policy Approval](#)

[7A2 WRAP Policy Approval](#)

**Motion By:** Gary Brown

**Support By:** Jaye Quadrozzi

**Action:** Recommended for Approval to the Board of Directors

**Agenda of September 28, 2022**

The motion carried by a unanimous vote.

**8. Reports**

**A. 2022-382 CFO Report**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8A1 CFO Report August 2022](#)

**Motion By:** Gary Brown

**Support By:** Jaye Quadrozzi

**Action:** Received and Filed

The motion carried by a unanimous vote.

**B. 2022-383 Monthly Financial Report for May 2022**

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Attachments:** [8B May 2022 Financial Report Tagetik](#)

**Motion By:** Jaye Quadrozzi

**Support By:** Gary Brown

**Action:** Received and Filed

The motion carried by a unanimous vote.

C. [2022-384](#) Business Inclusion and Diversity Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8C Business Inclusion and Diversity Update](#)

**Motion By:** Gary Brown

**Support By:** Jaye Quadrozzi

**Action:** Received and Filed

**The motion carried by a unanimous vote.**

D. [2022-386](#) Quarterly WRAP Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [8E1 Quarterly WRAP Report Thru 6.30](#)

[8E2 Appendix B - Quarterly WRAP Performance Metrics Report FY22](#)

[8E3 Appendix A - WRAP Income Based Plan](#)

**Motion By:** Gary Brown

**Support By:** Jaye Quadrozzi

**Action:** Received and Filed

**The motion carried by a unanimous vote.**

## 9. Communications

A. [2022-387](#) The Procurement Pipeline for August 2022

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: [9A The Procurement Pipeline for August 2022](#)

**No Action Taken**

## 10. Look Ahead

The next Audit Committee Meeting is scheduled to be held Friday, September 23, 2022 at 8:00 a.m.

## 11. Other Matters

**There were no other matters.**

## 12. Adjournment

**Chairperson Baker requested a Motion to Adjourn.**

**Motion By: Gary Brown**

**Support By: Jaye Quadrozzi**

**Action: Approved**

**The motion carried by a unanimous vote.**

**There being no further business, the meeting was adjourned at 9:03 a.m.**



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Nicolette N. Bateson, CPA, Chief Financial Officer & Treasurer

**Re:** Final Report: 2022 Bond Transaction

**Background:** Last month, On August 26, 2022, the Great Lakes Water Authority (GLWA) Audit Committee received an update related to the 2022 bond transaction. Since then, on August 31, 2022, a successful bond pricing was achieved and subsequent closing occurred on September 13, 2022.

**Analysis:** The market proved to be very challenging on August 31, 2022. Given that interest rates have risen since that time, moving forward to secure the funding for our capital program was the right decision. Overall, this transaction occurred in an era of historically low rates.

The financing team will be in attendance at the Audit Committee meeting to walk through the attached recap of the transaction. Also attached is a press release issued by GLWA.

**Proposed Action:** Receive and file this report.



## **Great Lakes Water Authority**

### **Summary of 2022 Financing Results**

#### **\$207,215,000 Water Supply System Revenue Bonds, Series 2022**

*\$137,470,000 Water Supply System Revenue Senior Lien Bonds, Series 2022A*

*\$69,745,000 Water Supply System Revenue Second Lien Bonds, Series 2022B*

#### **\$210,455,000 Sewage Disposal System Revenue and Revenue Refunding Bonds, Series 2022**

*\$125,975,000 Sewage Disposal System Revenue Senior Lien Bonds, Series 2022A*

*\$71,990,000 Sewage Disposal System Revenue Second Lien Bonds, Series 2022B*

*\$12,490,000 Sewage Disposal System Revenue Refunding Senior Lien Bonds, Series 2022C*

## Recent bond transactions for the Water System and Sewer System achieved favorable outcomes for GLWA

- Long-term funding procured at fixed interest rates for approximately \$225 million of regional Capital Improvement Program projects for each of the Water and the Sewer systems
- Achieved low all-in cost of funds during a period of increasing interest rates and market uncertainty: 4.44% for the Water System and 4.57% for the Sewer System
  - Despite challenging overall market conditions, the financing team was able to adapt and generate a positive result for GLWA
  - Municipal benchmark yields now nearly 0.30% higher than on the date of pricing
- Rating agency outlook upgrades from Stable to Positive were achieved with both Moody's (Water and Sewer) and Fitch (Sewer), continuing the Authority's positive rating trajectory and creating positive rating momentum going into next year
- Extensive outreach to investors that achieved positive results and included an electronic investor roadshow and 9 one-on-one investor calls between the Authority and major institutional investors
  - Orders from 37 unique institutional investors totaling \$574 million, including 14 new investors that did not participate in GLWA's 2020 transactions
- The overall GLWA Series 2022 bond structures were intricate and intertwined, with two separate credits (Water and Sewer), and a Senior Lien and Second Lien Series on each, all priced simultaneously and with overlapping maturities
  - Small opportunistic current refunding takes advantage of larger transaction timing and generates net cashflow savings of \$1.96 million to the Sewer System

The goals for the Series 2022 financings were achieved and provide the Authority with a strong base with which to weather the current inflation and supply chain stresses while still achieving future financial goals.



Acquire Capital Funding At Favorable Levels



Highlight Continued Strong Financial Results and  
Expand the Investor Base for GLWA Credits



Secure Continued Positive Ratings Trend



Enhance GLWA's Financial Flexibility



Capture Available Debt Service Savings

# Outlook Upgrades Achieved

## Rating Outlook Upgrades Achieved:

- GLWA and the finance team conducted an aggressive rating agency strategy that resulted in additional outlook upgrades by Moody's and Fitch in advance of pricing, **better positioning the Authority for future upgrades**
  - **Water System:** Moody's outlook upgrade from *Stable* to *Positive* on Senior and Second Liens
  - **Sewer System:** Moody's and Fitch outlook upgrades from *Stable* to *Positive* on Senior and Second Liens

Water System	S&P	Fitch	Moody's
Senior Lien	AA- (stable)	A+ (stable)	A1 (positive)
Second Lien	A+ (stable)	A (stable)	A2 (positive)

Sewer System	S&P	Fitch	Moody's
Senior Lien	AA- (stable)	A+ (positive)	A1 (positive)
Second Lien	A+ (stable)	A (positive)	A2 (positive)

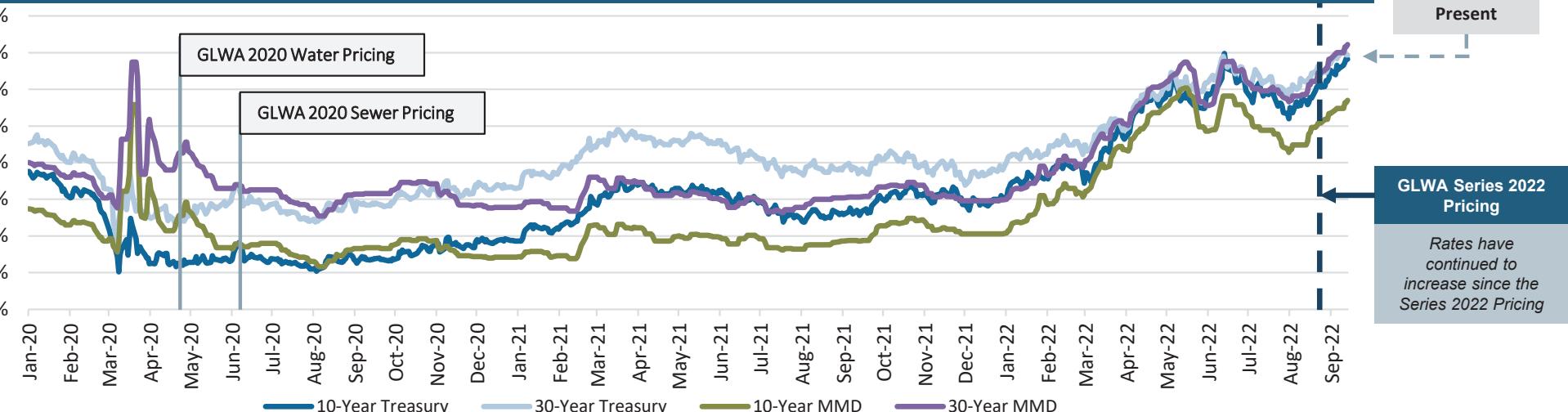
- **Moody's:** *"The outlook is positive because the authority has strong management and stable operations and its underlying service area continues to improve, particularly in the City of Detroit, as well as across Wayne (A1 stable), Oakland (Aaa stable) and Macomb (Aa1 stable) counties"*
- **Fitch (Sewer):** *"The rating outlook revision to Positive is based on the system's recent decline in leverage, which was above 10.0x prior to fiscal 2019"*

# 10-Year and 30-Year MMD and Treasury Yields

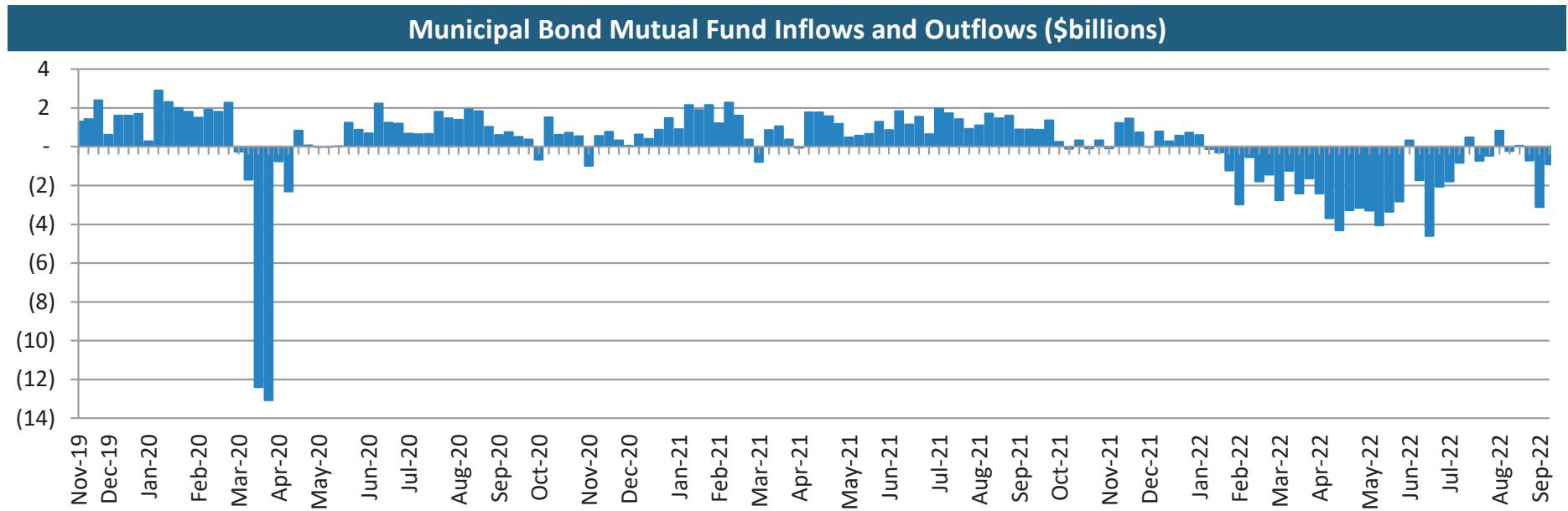
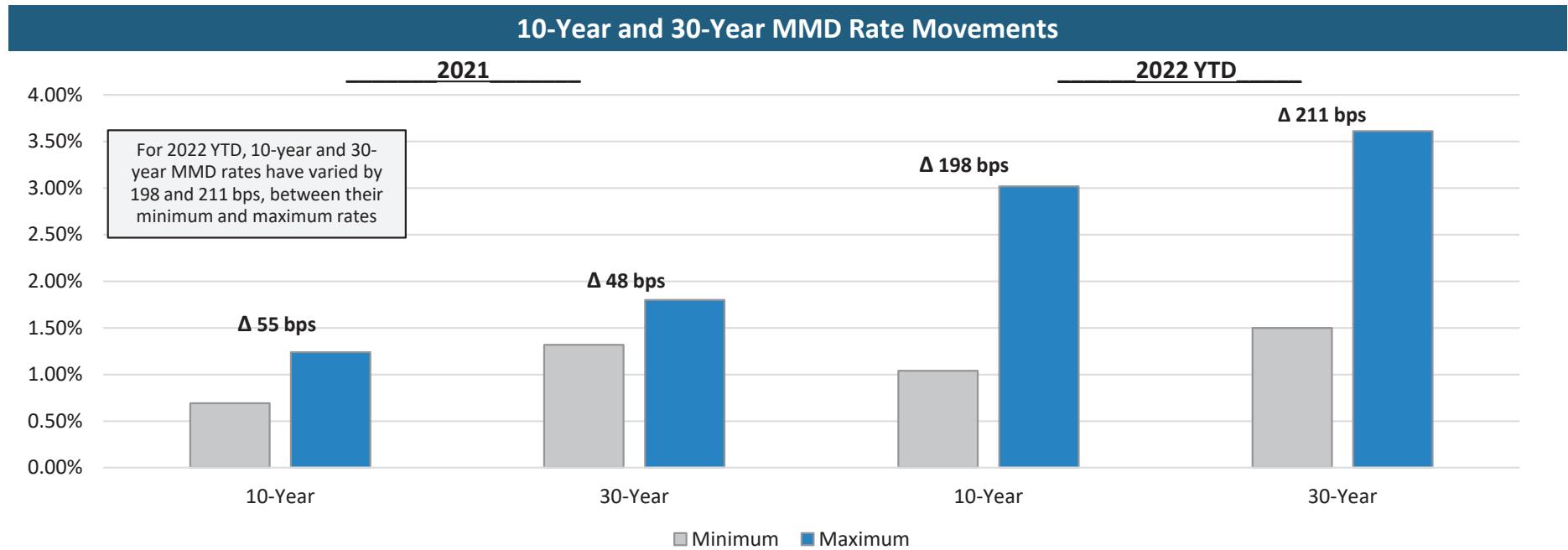
## Long Term Interest Rate Landscape Over 30 Years: 10-Year and 30-Year MMD and UST Rates



## 10-Year and 30-Year MMD and UST Rates from 1/1/2020 to Present



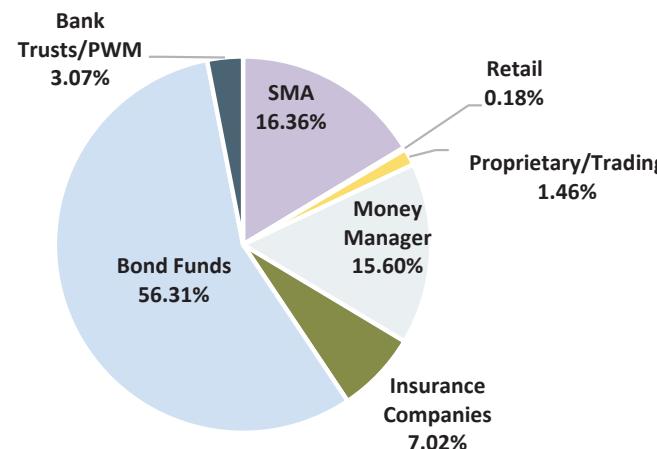
# Changing Market Fundamentals and Volatility



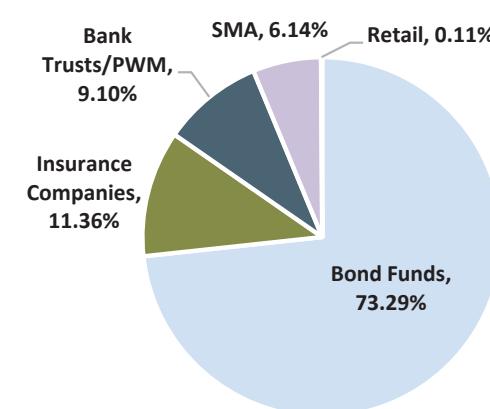
# Comprehensive Marketing Outreach

- An extensive premarketing effort led by Siebert Williams Shank & Co., LLC in the days leading up to the sale led to demand from a wide variety of institutional accounts
  - Marketing outreach efforts included 9 one-on-one investor calls and 82 unique views of the POS and Roadshows by potential investors
- Institutional Orders:**
  - Water System** transaction was well received attracting \$343 million in priority orders
    - 31 unique investors participated, including 11 institutional investors that did not participate in GLWA's 2020 transactions
  - Sewer System** transaction was well received attracting \$231 million in priority orders
    - 18 unique investors participated, including 5 institutional investors that did not participate in GLWA's 2020 transactions
- Subscriptions:**
  - Orders were received from a mix of investors including insurance companies, bond funds, separately managed accounts ("SMA"), and bank portfolios
    - Water System:** Subscription levels (excluding stock) ranged from 0.0x to a high of 6.2x for the Senior Lien and 0.0x to 1.2x for the Second Lien
    - Sewer System:** Subscription levels (excluding stock) ranged from 0.0x to a high of 3.6x for the Senior Lien and 0.0x to 2.2x for the Second Lien
  - At the end of the order period, there were approximately \$100 million of unsold balances; the financing team restructured certain maturities and the underwriting syndicate led by SWS underwrote \$37.05 million of Bonds

**Water System**  
Orders Breakdown by Investor Type



**Sewer System**  
Orders Breakdown by Investor Type



The Series 2022 Bonds were sold at an attractive all-in interest rate and will allow the Authority to fund Regional System projects efficiently

- Issued \$417.7 million of total bonds including \$207.2 million of bonds for the Water System and \$210.5 million of bonds for the Sewer System
  - All-in interest rate of 4.44% for Water System bonds
  - All-in interest rate of 4.57% for the Sewer System bonds
- Issued \$207.2 million of new money bonds for the Water System and \$198.0 million for the Sewer System, each meeting the project funding target of \$225 million
- Issued \$12.5 million refunding bonds for the Sewer System
  - Generates cashflow savings of \$1.96 million in FY2023 to balance expectation of increased debt service related to Sewer Senior Series 2006D (variable rate bonds)
- Released \$8.9 million from the Sewer Bond Reserve Fund to reduce the amount of bonds issued
  - \$1.6 million released from Senior Lien Bond Reserve Fund to augment savings in FY2023
  - \$7.3 million released from Second Lien Bond Reserve Fund to Project Fund to reduce overall borrowing amount
- Debt service structured to create generally level debt service in combination with the existing debt
  - Structuring objectives were designed with the board approved debt policy in mind

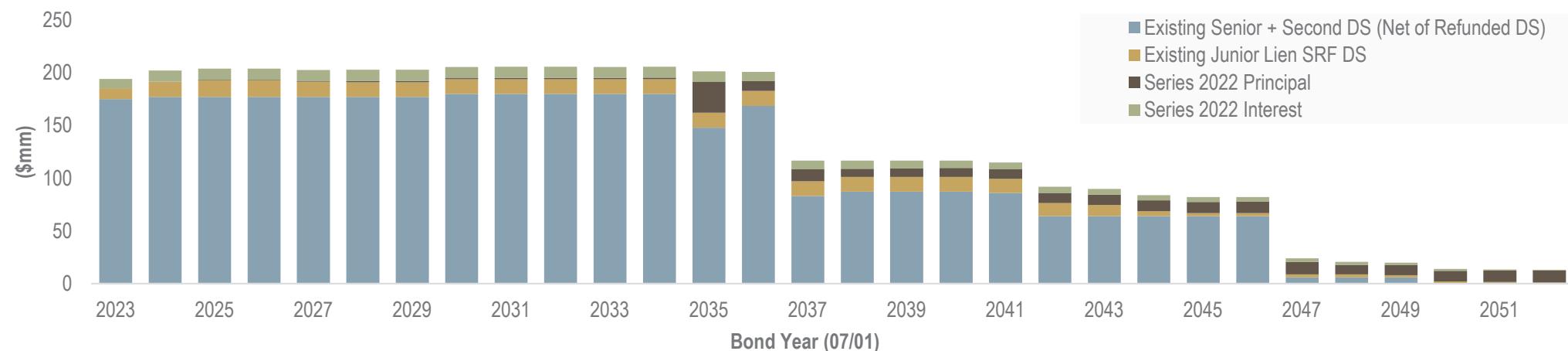
- GLWA issued \$207 million in Water System Bonds to fund \$225 million for project funding for improvements to its Water System
- 30-year structure with principal amortization beginning in 2025
- Debt service structured to create overall level debt service with the existing debt
- Aggregate TIC of 4.44%

### Water System Sources and Uses

Sources	Senior Lien	Second Lien	Aggregate
	Series 2022A	Series 2022B	Series 2022 Bonds
	New Money	New Money	
Par Amount	137,470,000.00	69,745,000.00	207,215,000
Premium	14,944,352.10	7,354,908.00	22,299,260
<b>Total</b>	<b>152,414,352.10</b>	<b>77,099,908.00</b>	<b>229,514,260.10</b>

Uses	Senior Lien	Second Lien	Aggregate
	Series 2022A	Series 2022B	Series 2022 Bonds
	New Money	New Money	
Construction Fund	149,710,000.00	75,290,000.00	225,000,000.00
DSRF Deposit	1,723,807.61	1,306,569.87	3,030,377.49
UWD	421,656.01	213,828.56	635,484.58
COI	557,884.29	286,410.01	844,294.30
Contingency	1,004.18	3,099.55	4,103.73
<b>Total</b>	<b>152,414,352.10</b>	<b>77,099,908.00</b>	<b>229,514,260.10</b>

### Estimated Annual Debt Service Requirements



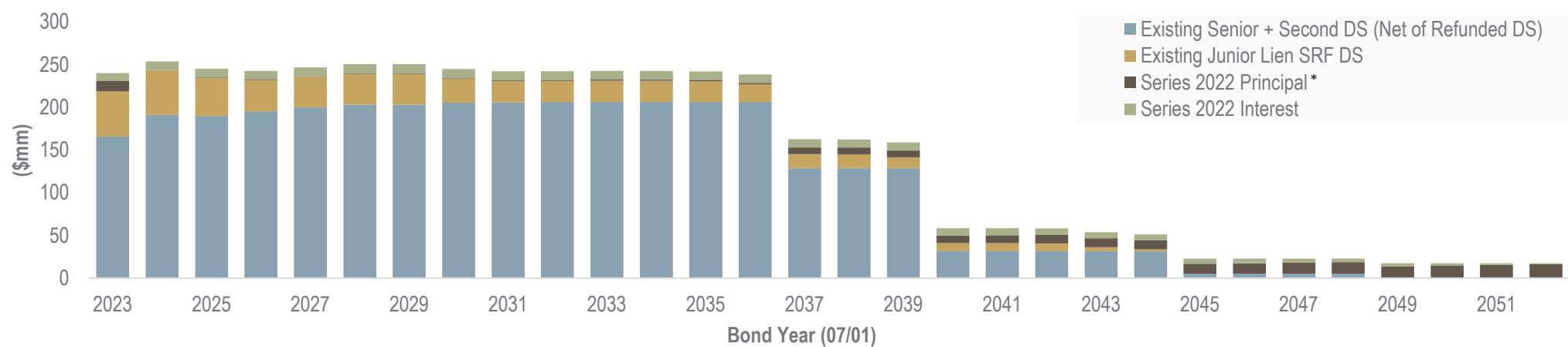
- GLWA issued \$210.455 million in Sewer System Bonds to fund \$225 million for project funding for improvements to its Sewer System
- 30-year structure with new money principal amortization beginning in 2025
- Debt service structured to create overall level debt service with the existing debt
- Aggregate TIC of 4.57%
- Series 2022C tax-exempt current refunding of the Series 2012A Bonds maturing in 2023, generated approximately \$1.96 million in net cashflow savings

Sewer System Sources and Uses						
Sources	Senior Lien		Second Lien		Aggregate	
	Series 2022A	Series 2022C Refunding	Series 2022B	New Money	Refunding	Aggregate
Par Amount	125,975,000.00	12,490,000.00	71,990,000.00	197,965,000.00	12,490,000.00	210,455,000.00
Original Issue Premium	13,417,943.95	263,289.20	7,724,196.65	21,142,140.60	263,289.20	21,405,429.80
Release from DS Accounts	-	3,934,218.75	0.00	0.00	3,934,218.75	3,934,218.75
Release from Bond Reserve Accounts	-	1,572,882.46	7,303,667.25	7,303,667.25	1,572,882.46	8,876,549.71
Total	139,392,943.95	18,260,390.41	87,017,863.90	226,410,807.85	18,260,390.41	244,671,198.26

Sewer System Sources and Uses						
Sources	Senior Lien		Second Lien		Aggregate	
	Series 2022A	Series 2022C Refunding	Series 2022B	New Money	Refunding	Aggregate
Deposit to Escrow Fund	-	18,172,346.00	-	-	18,172,346.00	18,172,346.00
Deposit to Regional Construction Fund	138,500,000.00	-	86,500,000.00	225,000,000.00	-	225,000,000.00
UWD	385,922.55	37,808.07	220,564.32	606,486.87	37,808.07	644,294.94
COI	505,402.78	50,008.20	292,448.11	797,850.89	50,008.20	847,859.09
Contingency	1,618.62	228.14	4,851.47	6,470.09	228.14	6,698.23
Total	139,392,943.95	18,260,390.41	87,017,863.90	226,410,807.85	18,260,390.41	244,671,198.26

### Aggregate Annual Debt Service Requirements



\*Series 2022 Principal shown in 2023 represents the Series 2022C Refunding Bonds.

# Transaction Participants

Transaction Role	Firm
<b>Issuer</b>	<ul style="list-style-type: none"> <li>▪ Great Lakes Water Authority</li> </ul>
<b>Financial Advisor</b>	<ul style="list-style-type: none"> <li>▪ PFM Financial Advisors LLC</li> </ul>
<b>Senior Bookrunning Manager</b>	<ul style="list-style-type: none"> <li>▪ Siebert Williams Shank &amp; Co., LLC</li> </ul>
<b>Co-Senior Manager</b>	<ul style="list-style-type: none"> <li>▪ Goldman Sachs &amp; Co. LLC</li> </ul>
<b>Co-Managing Underwriters</b>	<ul style="list-style-type: none"> <li>▪ Citigroup Global Markets Inc.</li> <li>▪ J.P. Morgan Securities LLC</li> <li>▪ Loop Capital Markets LLC</li> <li>▪ Morgan Stanley &amp; Co. LLC</li> <li>▪ Ramirez &amp; Co., Inc.</li> <li>▪ Wells Fargo Securities</li> </ul>
<b>Bond Counsel</b>	<ul style="list-style-type: none"> <li>▪ Dickinson Wright, PLLC</li> </ul>
<b>Feasibility Consultant</b>	<ul style="list-style-type: none"> <li>▪ The Foster Group</li> </ul>
<b>Trustee and Escrow Agent</b>	<ul style="list-style-type: none"> <li>▪ U.S. Bank, N.A.</li> </ul>
<b>Underwriter's Counsel</b>	<ul style="list-style-type: none"> <li>▪ Kutak Rock, LLP</li> </ul>
<b>Auditor</b>	<ul style="list-style-type: none"> <li>▪ Baker Tilly Virchow Krause, LLP</li> </ul>



**FOR IMMEDIATE RELEASE**

September 8, 2022

**Media Contact:**

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Ashleigh Chatel / M: 734-626-4252 / [ashleigh.chatel@fleishman.com](mailto:ashleigh.chatel@fleishman.com)

**GLWA RECEIVES POSITIVE RATINGS OUTLOOKS, EXECUTES SUCCESSFUL BOND TRANSACTION TO SECURE FUNDING FOR REGIONAL WATER AND WASTEWATER SYSTEM IMPROVEMENTS; GARNERS MONEY-SAVING REFUNDING**

- *Positive rating outlooks from two rating agencies*
- *Successful bond transaction will provide \$450 million in new funding for regional water and wastewater system needs*
- *Low fixed rate borrowing costs assist GLWA as it continues to focus on long-term strategy for system resiliency and affordability*
- *New investor participation is characteristic of stable operations and strong leadership*

**DETROIT** – On August 30, 2022, the Great Lakes Water Authority (GLWA) executed a successful bond transaction at favorable rates to fund \$450 million in capital improvements for the regional water and wastewater systems, as well as secured \$2 million in cashflow savings by refinancing eligible wastewater system bonds.

***Positive Rating Agency Outlook Actions***

In advance of the bond transaction, GLWA earned positive rating outlooks from two of three rating agencies, as well as an affirmation of a “AA” category rating from the third rating agency:

- Fitch Ratings moved the outlook to Positive from Stable for the wastewater system and affirmed outstanding water and wastewater systems debt at A+ Senior/A Second Lien;
- Moody’s Investors Service moved the outlook to Positive from Stable for both the water and wastewater system and affirmed outstanding debt at A1 Senior/A2 Second Lien;
- Standard & Poor Global Ratings affirmed its outstanding water and wastewater system debt at AA- Senior/A+ Second Lien with a Stable outlook.

Commentary within the Moody’s credit opinion noted, “*The outlook is positive because the Authority has strong management and stable operations and its underlying service area continues to improve, particularly in the City of Detroit, as well as across Wayne (A3 positive),*

*Oakland (Aaa stable) and Macomb (Aa1 stable) Counties."*

"I am pleased to see the positive recognition of the efforts put forth by the GLWA management team by rating agencies, as well as highlights of the positive economic trends we see in the region," said Jaye Quadrozzi, Chairperson, GLWA Board of Directors.

### ***Bond Sale Aligns with Overall Financial Strategy focused on Affordability and Stability***

The bond transaction focused on securing \$225 million to replenish funding for capital improvement projects for both the water and wastewater systems (total of \$450 million). Since January 2021, GLWA has utilized cash reserves to fund its capital program. Utilizing this pay-as-you-go approach over the last 20 months was an intentional effort outlined in the Authority's 10-year financial plan to decrease the overall debt burden and improve affordability.

"This strategy to shift from maximum use of debt, along with overall cost controls, is how GLWA has managed to maintain average system charge adjustments at 1.8 percent over the previous five years (2016–2022) for the water system and less than one percent (0.3 percent) for the wastewater system as noted in the Authority's [2021 Year In Review Report](#)," said Nicolette N. Bateson, Chief Financial Officer and Treasurer, GLWA.

These tax-exempt bonds were issued with a true interest cost of 4.44 percent for the water system and 4.57 percent for the wastewater system. Despite recent market volatility, these bonds are being issued during an era of historically low rates. Over the past 32 years, benchmark rates have only been lower 34 percent of the time.

GLWA also took advantage of market conditions to refund nearly \$18 million in outstanding wastewater bonds. The refinancing of this debt resulted in nearly \$2 million in cashflow savings. Added to prior GLWA transactions, the Authority has garnered more than \$720 million in cashflow savings from refunding transactions since January 1, 2016, as a result of an opportunistic refinancing program that has taken advantage of market conditions and GLWA's improved credit.

"By actively managing GLWA's debt portfolio with our financial advisor we were able to secure savings and potentially lower future charge increases," said Kim Garland, Financial Services Area Chief of Staff, GLWA. "We continue to explore opportunities for future savings."

### ***Strong Investor Interest***

Strong investor interest resulted in a successful bond transaction, even on a challenging day of volatility within the financial markets. The transaction attracted orders from 37 unique institutional investors, including 14 investors that did not participate in GLWA's 2020 bond transaction. In addition, retail orders were placed on behalf of several individual retail investors.

"GLWA is very appreciative of the opportunities to engage with investors," stated Bateson. "We see the growing base of investors as a sign that GLWA's financial stability is well recognized through the transparency of our financial and operational information, as well as accessibility of the management team."

Since GLWA's bonds were sold at a premium, the par value of the bonds for both systems totaled approximately \$418 million. In aggregate, \$574 million in orders were received for the \$418 million in par bonds, meaning investor demand exceeded available bonds in aggregate by 1.4 times.

### ***Securing Funding is Vital to Ensuring System Resiliency***

"Securing this funding allows GLWA to remain focused on our top priority, which is improving resiliency in the regional system in order to ensure we continue to provide reliable service to our member partner communities," stated Suzanne R. Coffey, P.E., Chief Executive Officer, GLWA. "At the core of this transaction is our commitment to fair and equitable charges via best-in-class stewardship of the financial and system assets under our management."

Water system projects in GLWA's Capital Improvement Plan (CIP) include transmission system improvements such as the construction of a 14 Mile Transmission Main Loop; rehabilitation, repair and improvements of booster pumping stations and reservoirs throughout the Authority's service area; raw water intake tunnel improvements; and improvements at GLWA's Springwells, Northeast, Water Works Park and Lake Huron Water Treatment Plants. Wastewater system projects include rehabilitation of the Woodward and Conner Creek sewers, as well as the Detroit River and Northwest Interceptors; improvements to the Water Resource Recovery Facility (WRRF); improvements to Combined Sewer Overflow facilities; and rehabilitation, repair and improvements to various pump station facilities throughout the Authority's service area.

For a complete list of projects within GLWA's FY2023-2027 CIP, please click [here](#).

###

### **About the Great Lakes Water Authority (GLWA)**

The Great Lakes Water Authority (GLWA) is the provider-of-choice for drinking water services to nearly 40 percent and efficient and effective wastewater services to nearly 30 percent of Michigan's population. With the Great Lakes as source water, GLWA is uniquely positioned to provide those it serves with water of unquestionable quality. GLWA also has the capacity to extend its service beyond its 88 member partner communities. As part of its commitment to water affordability, the Authority offers a Water Residential Assistance Program to assist low-income households in participating member communities throughout the system. GLWA's board includes one representative each from Oakland, Macomb and Wayne counties, two representatives from the city of Detroit and one appointed by the Michigan governor to represent customer communities outside of the tri-county area.



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Lisa L. Mancini, Financial Planning & Analysis Manager

**Re:** FY 2023 First Quarter Budget Amendments through September 30, 2022, and Proposed Budget Amendment Resolution

**Background:** In accordance with the budget amendment policy, articles, and by-laws for the Great Lakes Water Authority, a quarterly budget amendment report is presented for review by the Audit Committee. When budget amendments are required at the appropriation level as defined by the corresponding fiscal year budget adoption resolution, the Audit Committee reviews the proposed budget amendments and forward to the Board of Directors with a recommendation.

**Analysis:** See attached report.

**Proposed Action:** The Audit Committee recommends that the Board of Directors for the Great Lakes Water Authority adopt the proposed budget resolution for the first quarter FY 2023 budget amendments.

..Title

**Resolution to Approve the FY 2023 First Quarter Budget Amendments**

..Body

Agenda of: September 28, 2022

Item No.: **2022-414**

Amount: N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Suzanne R. Coffey, P.E.  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** September 28, 2022

**RE:** **Resolution to Approve the FY 2023 First Quarter Budget  
Amendments**

**MOTION**

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), approves the **FY 2023 First Quarter Budget Amendments as presented**; and authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

**BACKGROUND**

The founding legal documents for the Great Lakes Water Authority (GLWA) provide a structure for budget preparation, adoption, and amendment. The Board of Directors adopts a biennial budget by resolution which specifies appropriation amounts which may be modified through budget amendments. To the extent that there is a proposed amendment of the budget among the appropriation categories, the matter is brought to

the Audit Committee for review and consideration of a recommendation to the Board of Directors for their consideration for approval.

### **JUSTIFICATION**

Attached is the communication to the Audit Committee, dated September 23, 2022, which presents the proposed budget amendments for the first quarter of FY 2023. The reports included in this communication include the following.

1. Quarterly Budget Amendment Report for FY 2023 ending September 30, 2022.
2. Resolution Adopting the Budget Amendments through the First Quarter of FY 2023.

### **BUDGET IMPACT**

The overall budget, despite amendment, continues to be balanced.

### **COMMITTEE REVIEW**

This matter was reviewed by the Audit Committee at its meeting on September 23, 2022. The Audit Committee [*insert action*] that the Board of Directors for the Great Lakes Water Authority adopt the proposed FY 2023 first quarter budget amendments.

### **SHARED SERVICES IMPACT**

The FY 2023 budget has been amended to reflect the Information Technology agreements that were either changed in scope (ITS-014 Security Network) or terminated (ITS-004A WAM, ITS-008A TIBCO, ITS-009A IT Infrastructure, ITS-012 Oracle Database Licensing, DoIT-001 Financial Information System, and DoIT-003 Customer Service Technology Suite). The original agreement for Security and Integrity (OPS-005) was terminated and a new agreement (OPS-005A) was created. The net change is a reduction of \$1.2 million in these agreements which results in an increase to the Operations & Maintenance expense for FY 2023.



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Lisa L. Mancini, Financial Planning & Analysis Manager

**Re:** FY 2023 First Quarter Budget Amendments through September 30, 2022, and Proposed Budget Amendment Resolution

**Background:** In accordance with the budget amendment policy, articles, and by-laws for the Great Lakes Water Authority, a quarterly budget amendment report is presented for review by the Audit Committee. When budget amendments are required at the appropriation level as defined by the corresponding fiscal year budget adoption resolution, the Audit Committee will review the proposed budget amendments and forward to the Board of Directors with a recommendation.

**Analysis:** Highlights of the FY 2023 first quarter budget amendments include the following.

A. Net increase to the Water System revenues of \$4.7 million (Table 1A)

- \$1.1 million revenue decrease - The decrease represents an adjustment to the Suburban Wholesale Customer Charges for the removal of the Highland Park bad debt recovery from the charges per the GLWA Board action taken on June 2, 2022.
- \$0.1 million revenue decrease - This decrease, like the adjustment above, is a restating of the Detroit Wholesale Customer Charges for the removal of the Highland Park bad debt recovery from the charges.
- \$5.9 million revenue increase - Investment earnings adjustment based on revised interest rates provided by the Authority's investment advisor have been applied to the cashflow forecast related to the September 2022 bond transaction.

B. Net increase to the Sewer System revenues of \$5.2 million (Table 1B)

- \$5.4 million revenue decrease - The decrease represents an adjustment to the Suburban Wholesale Customer Charges for the removal of the Highland Park bad debt recovery from the charges per the GLWA Board action taken on June 2, 2022.

- \$3.0 million revenue increase – This represents the current estimate of payments that will be received from Highland Park under the reinforced judgement. The original budget assumed no payments from Highland Park.
- \$7.6 revenue increase – Investment earnings adjustment based on revised interest rates provided by the Authority's investment advisor have been applied to the cashflow forecast related to the September 2022 bond transaction.

C. There is an increase to the Sewer Operations & Maintenance Expense of \$10.8 million. (Table 1B). The primary drivers for this increase are as follows.

- Chemicals - \$7.7 million increase – Chemical costs, primarily chlorine-based products, have incurred significant cost increases due to supply issues.
- Utilities - \$4.9 million increase - Electric usage has increased \$2.1 million and Gas usage has increased \$2.8 million. Details can be found in *Addendum 2 – Supplemental Information – Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments*.
- Contractual Services - \$1.6 million increase - The increase is primarily due to the increased usage and annual price adjustment of the New England Fertilizer Co. (NEFCO) contract, PC-792 (\$1.2 million). In addition, the amount of the new facilities maintenance contract, which started on July 01, 2022, is higher than the budgeted amount for this contract (\$0.4 million).
- The Wastewater System Operations Unallocated Reserves, at the time of the FY 2023 budget adoption, was at \$3.1 million. This amount is insufficient to cover the increases noted in the bullet points above.

D. Construction Funds – Bond Proceeds (Tables 4A and 4B) – The amended budget amounts represent the September 2022 bond transaction; \$225.0 million have been added for both the water and sewer construction funds. At the time that the FY 2023 budget was prepared, smaller bond transactions were assumed to occur in late FY 2023 and were therefore not included in the FY 2023 budget. Market conditions supported issuance of larger bond transactions for both systems, which are reflected in the amendments. The beginning net position estimates are also revised to reflect the fact that the transactions did not occur until FY 2023.

E. Construction Funds - Grant Revenues (SRF Loans) (Tables 4A and 4B) - The amount budgeted for draws of State Revolving Fund (SRF) Loans for both the water (\$71.8 million increase) and sewer (\$31.3 million increase) construction funds have been adjusted to reflect the recognition of additional approved loans and the timing of project design and construction activity.

- F. Construction Funds – Bond Fund Earnings on Investments (Tables 4A and 4B) – The amounts budgeted for investment earnings have been increased for both the water (\$0.7 million) and sewer (\$0.8 million) construction funds for the September 2022 bond transaction.
- G. Construction Funds – Capital Spend Rate Adjustment (Tables 4A and 4B) - The Capital Spending Ratio for the water capital improvement plan is forecasted to increase from 80.0% to 100.0% which equates to \$38.9 million. The Capital Spending Ratio for the sewer capital improvement plan was increased from 75.0% to 100.0% which equates to \$29.1 million. These adjustments were based on a review of the spend projections for FY 2023 based discussions with project personnel as well as the rising costs of materials and labor.

The attached budget amendment report is organized in the following manner.

- 1. Appropriation Level - Revenue Requirement - Water and Sewer Systems**
  - A. *Water System General Operating Fund*
  - B. *Sewer System General Operating Fund*
  - C. *Total Operating Fund Level – Water System and Sewer System (Supplemental Information)*
  - D. *Enterprise-wide Core Groups (Supplemental Information)*
  - E. *Enterprise-wide Operations & Maintenance Account Type (Supplemental Information)*
  - F. *Unallocated Reserve by Core Group (Supplemental Information)*
- 2. Appropriation Level – Debt Service – Water and Sewer Systems**
  - A. *Water System Debt Service Coverage Calculation*
  - B. *Sewer System Debt Service Coverage Calculation*
- 3. Appropriation Level – Improvement & Extension Fund – Water and Sewer Systems**
  - A. *Water System Improvement & Extension Fund*
  - B. *Sewer System Improvement & Extension Fund*
- 4. Appropriation Level – Construction Fund – Water and Sewer Systems**
  - A. *Water System Construction Fund*
  - B. *Sewer System Construction Fund*

A budget amendment resolution reflecting the budget amendments is attached.



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 1A - Appropriation Level - Revenue Requirement – Water System General Operating**

Water System	FY 2023	Total		FY 2023 Amended Budget	FY 2022 Activity Thru 07/31/2022
	Board Adopted Budget	1st Quarter FY 2023 Amendments			
<b>Revenues</b>					
Suburban Wholesale Customer Charges	\$ 333,219,000	\$ (1,105,700)	\$ 332,113,300	\$ 33,594,700	
Less: Bad Debt Expense	(1,257,000)	-	\$ (1,257,000)	-	
Retail Service Charges	22,985,900	(151,600)	22,834,300	1,915,500	
Investment Earnings	948,700	5,921,200	6,869,900	242,500	
Other Revenues	175,000	-	175,000	77,200	
<b>Total Revenues</b>	<b>\$ 356,071,600</b>	<b>\$ 4,663,900</b>	<b>\$ 360,735,500</b>	<b>\$ 35,829,900</b>	
<b>Revenue Requirements</b>					
Operations & Maintenance Expense	\$ 144,847,700	\$ -	\$ 144,847,700	\$ 10,631,500	
General Retirement System Legacy Pension	6,048,000	-	6,048,000	504,000	
Debt Service	150,337,100	490,200	150,827,300	12,564,100	
General Retirement System Accelerated Pension	6,268,300	-	6,268,300	522,400	
Extraordinary Repair & Replacement Deposit	-	-	-	-	
Water Residential Assistance Program Contribution	1,770,500	-	1,770,500	147,500	
Regional System Lease	22,500,000	-	22,500,000	1,875,000	
DWSD Budget Shortfall Pending	-	-	-	-	
Improvement & Extension Fund Transfer Pending	24,300,000	4,173,700	28,473,700	2,025,000	
<b>Total Revenue Requirements</b>	<b>\$ 356,071,600</b>	<b>\$ 4,663,900</b>	<b>\$ 360,735,500</b>	<b>\$ 28,269,500</b>	
Net Actual to Date	\$ -	\$ -	\$ -	\$ 7,560,400	



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

<b>Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation</b>	
<b>Revenues</b>	
Suburban Wholesale Customer Charges	<i>The decrease represents an adjustment for the removal of the Highland Park bad debt recovery from the charges per the GLWA Board action taken on June 2, 2022.</i>
Bad Debt	<i>No budget amendment is required.</i>
Retail Services Charges	<i>The change to this category is due to the June 2, 2022, GLWA Board action to restate the Detroit Wholesale Customer Charges for the removal of the Highland Park bad debt recovery.</i>
Investment Earnings	<i>The increase is based on the revised interest rates which have been applied to the cashflow forecast related to the September 2022 bond transaction.</i>
Other Revenues	<i>No budget amendment is required.</i>
<b>Revenue Requirements (Expenditures)</b>	
Operations & Maintenance Expense	<i>No budget amendment is required.</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>The increase is due to the revision of the SRF schedules (timing of the draws).</i>
General Retirement System Legacy Pension – Accelerated Payment	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Extraordinary Repair & Replacement Deposit	<i>No budget amendment is required. This is a formulaic requirement in the Master Bond Ordinance. Based on adopted and amended budget, no adjustment is required.</i>
Water Residential Assistance Program Contribution	<i>No budget amendment is required. Budget is fixed at time of budget adoption.</i>
Regional System Lease	<i>No budget amendment is required. Lease payment is established in accordance with terms of the lease.</i>



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

<b>Appropriation Level – Revenue Requirement – Water System General Operating Budget Amendment Explanation</b>	
DWSD Budget Shortfall Pending	<i>No budget amendment is proposed at this time.</i>
Improvement & Extension Fund Transfer Pending	<i>Represents annual funding for pay-as-you-go capital improvement program. Budget amendments to revenues, bad debt, investment earnings, debt service, and DWSD budget shortfall affect this line item.</i>



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 1B - Appropriation Level - Revenue Requirement – Sewer System General Operating**

Sewer System	FY 2023 Board Adopted Budget	Total 1st Quarter FY 2023 Amendments	FY 2023 Amended Budget	FY 2022 Activity Thru 07/31/2022
<b>Revenues</b>				
Suburban Wholesale Customer Charges	\$ 280,824,000	\$ (5,416,800)	\$ 275,407,200	\$ 22,947,900
Less: Bad Debt Expense	(5,420,500)	3,020,500	(2,400,000)	-
Retail Service Charges	191,042,200	-	191,042,200	15,920,200
Industrial Waste Control Charges	8,420,000	-	8,420,000	691,000
Pollutant Surcharges	4,950,800	-	4,950,800	296,100
Investment Earnings	1,155,600	7,615,600	8,771,200	325,100
Other Revenues	400,000	-	400,000	31,300
<b>Total Revenues</b>	<b>\$ 481,372,100</b>	<b>\$ 5,219,300</b>	<b>\$ 486,591,400</b>	<b>\$ 40,211,600</b>
<b>Revenue Requirements</b>				
Operations & Maintenance Expense	\$ 184,052,600	\$ 10,769,900	\$ 194,822,500	\$ 12,860,800
General Retirement System Legacy Pension	10,824,000	-	10,824,000	902,000
Debt Service	205,638,100	5,717,100	211,355,200	17,217,300
General Retirement System Accelerated Pension	11,620,700	-	11,620,700	968,400
Extraordinary Repair & Replacement Deposit	-	-	-	-
Water Residential Assistance Program Contribution	2,394,200	-	2,394,200	199,500
Regional System Lease	27,500,000	-	27,500,000	2,291,700
DWSD Budget Shortfall Pending	-	-	-	-
Improvement & Extension Fund Transfer Pending	39,342,500	(11,267,700)	28,074,800	3,278,500
<b>Total Revenue Requirements</b>	<b>\$ 481,372,100</b>	<b>\$ 5,219,300</b>	<b>\$ 486,591,400</b>	<b>\$ 37,718,200</b>
Net Actual to Date	\$ -	\$ -	\$ -	\$ 2,493,400



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

<b>Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation</b>	
<b>Revenues</b>	
Suburban Wholesale Customer Charges	<i>The decrease represents an adjustment for the removal of the Highland Park bad debt recovery from the charges per the GLWA Board action taken on June 2, 2022.</i>
Bad Debt	<i>The increase represents the current estimate of payments that will be received from Highland Park under the reinforced judgement. The original budget assumed no payments from Highland Park.</i>
Retail Services Charges	<i>No budget amendment is required.</i>
Industrial Waste Control Charges	<i>No budget amendment is required.</i>
Pollutant Surcharges	<i>No budget amendment is required.</i>
Investment Earnings	<i>The increase is based on the revised interest rates which have been applied to the cashflow forecast related to the September 2022 bond transaction.</i>
Other Revenues	<i>No budget amendment is required.</i>
<b>Revenue Requirements (Expenditures)</b>	
Operations & Maintenance Expense	<i>The Sewer O&amp;M budget is being increased by \$10.8 million to cover the shortfall projected for FY 2023 (details can be found in the Highlights section beginning on the first page of this document).</i>
General Retirement System Legacy Pension	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>
Debt Service	<i>The increase is due to the revision of the SRF schedules (timing of the draws) as well as the increase in the variable rate (from 1.0% to 2.5%) on the 2006D Bonds.</i>
General Retirement System Legacy Pension – Accelerated Payment	<i>No budget amendment is required. Budget and funding are on a fixed schedule.</i>



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

<b>Appropriation Level – Revenue Requirement – Sewer System General Operating Budget Amendment Explanation</b>	
Extraordinary Repair & Replacement Deposit	<i>No budget amendment is required. This is a formulaic requirement in the Master Bond Ordinance. Based on adopted and amended budget, no adjustment is required.</i>
Water Residential Assistance Program Contribution	<i>No budget amendment is required. Budget is fixed at time of budget adoption.</i>
Regional System Lease	<i>No budget amendment is required. Lease payment is established in accordance with terms of the lease.</i>
DWSD Budget Shortfall Pending	<i>No budget amendment is proposed at this time.</i>
Improvement & Extension Fund Transfer Pending	<i>Represents annual funding for pay-as-you-go capital improvement program. Budget amendments to revenues, bad debt, investment earnings, debt service, and DWSD budget shortfall affect this line item.</i>



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 1C - Supplemental Information – Operating Fund Level - Water System and Sewer System**

System	FY 2023 Board Adopted Budget	Total 1st Quarter FY 2023 Amendments	FY 2023 Amended Budget	FY 2022 Activity Thru 07/31/2022
Water System	\$ 144,847,700	\$ -	\$ 144,847,700	\$ 10,631,500
Sewer System	184,052,600	10,769,900	194,822,500	12,860,800
<b>Total</b>	<b>\$ 328,900,300</b>	<b>\$ 10,769,900</b>	<b>\$ 339,670,200</b>	<b>\$ 23,492,300</b>

*Totals may be off due to rounding.*

As shown in the table above, there are no budget amendments for transfers of resources between the water and sewer funds. It is unforeseen that such an amendment would occur as each system is accounted for as a stand-alone entity. The purpose of this table is to transparently report that funds from one system do not provide budget support to the other system.



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 1D - Supplemental Information - Enterprise-wide Core Groups**

O&M Major Budget Categories (Core Groups)	FY 2023 Board Adopted Budget	Total 1st Quarter FY 2023 Amendments	FY 2023 Amended Budget	FY 2022 Activity Thru 07/31/2022
A Water System Operations	\$ 76,518,200	\$ -	\$ 76,518,200	\$ 7,290,400
B Wastewater System Operations	113,197,500	10,769,900	123,967,400	9,430,200
C Centralized Services	104,502,900	-	104,502,900	4,477,700
D Administrative & Other Services	34,681,700	-	34,681,700	2,294,000
<b>Total</b>	<b>\$ 328,900,300</b>	<b>\$ 10,769,900</b>	<b>\$ 339,670,200</b>	<b>\$ 23,492,300</b>

*Totals may be off due to rounding.*

A subset of the operating funds are core groups that account for A) direct cost of water operations, B) direct cost of sewer operations, C) centralized services (E.g., field services, security, information technology, facilities, and fleet), D) administrative services (E.g., finance, public affairs, general counsel, and organizational development). The costs of the latter two categories are allocated to the water and sewer systems based upon an internal cost allocation plan that is performed on an annual basis.

Through the first quarter FY 2023, there are no amendments that cross the core groups.

B-Wastewater System Operations – The Sewer O&M budget is being increased \$10.8 million to cover the shortfall projected for FY 2023 (details can be found in the Highlights section beginning on the first page of this document).

For more activity within these groups, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 1E - Supplemental Information - Enterprise-wide Operations & Maintenance Account Type**

O&M Expense Categories (Account Type)	FY 2023 Board Adopted Budget	Total 1st Quarter FY 2023 Amendments	FY 2023 Amended Budget	FY 2022 Activity Thru 07/31/2022
Personnel Costs	\$ 122,144,300	\$ (367,200)	\$ 121,777,100	\$ 9,271,900
Utilities	51,007,400	4,910,100	55,917,500	5,760,000
Chemicals	16,118,600	7,663,000	23,781,600	1,899,200
Supplies & Other	34,911,800	-	34,911,800	1,704,200
Contractual Services	104,579,200	1,413,300	105,992,500	5,094,900
Capital Program Allocation	(4,376,200)	-	(4,376,200)	(72,900)
Shared Services	(2,925,000)	1,424,100	(1,500,900)	(165,000)
Unallocated Reserve	7,440,200	(4,273,400)	3,166,800	-
<b>Total</b>	<b>\$ 328,900,300</b>	<b>\$ 10,769,900</b>	<b>\$ 339,670,200</b>	<b>\$ 23,492,300</b>

*Totals may be off due to rounding.*

The table above presents the Operations & Maintenance budget by the major expense categories (account type).

For additional detail and the explanation of the key changes to the FY 2023 budget within these categories, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.

For an additional view of the Operations & Maintenance budget by expense category (account type) and by departmental level, see *Supplemental Information - Enterprise-wide Operations & Maintenance Account Type and Departmental Level Amendments (Addendum 2)*.


**Table 1F - Supplemental Information - Unallocated Reserve by Core Group**

O&M Unallocated Reserves	FY 2023		FY 2023 Amended Budget
	Board Adopted	1st Quarter FY 2023 Amendments	
	Budget		
Water System Operations	\$ 2,284,700	\$ -	\$ 2,284,700
Wastewater System Operations	3,055,500	(3,055,200)	300
Centralized Services	1,600,000	(1,218,200)	381,800
Administrative & Other Services	500,000	-	500,000
<b>Total</b>	<b>\$ 7,440,200</b>	<b>\$ (4,273,400)</b>	<b>\$ 3,166,800</b>

*Totals may be off due to rounding.*

An Unallocated Reserve account is established for each of the four core groups. Budget is assigned to these accounts to cover expenditures not known at the time the budget is developed (merit increases, fluctuations within maintenance contracts and usage of utilities and chemicals, projects and initiatives not planned at the time the initial budget was developed, etc.). It is GLWA's internal budget directive for each area, group, and team to manage their needs to an amount within the initial budget. If required, an amendment is made from the unallocated reserve. If an area does not require as much funding as was established in the original budget, that department's budgeted expenses are reduced, and the unallocated reserve is increased.

For additional information on the FY 2023 changes to the unallocated reserve, see *Supplemental Information - Enterprise-wide Operations & Maintenance Department and Account Level Amendments (Addendum 1)*.



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 2A - Appropriation Level – Debt Service Coverage Calculation – Water System**

Water System - Debt Service Coverage Calculation	FY 2023 Adopted Budget	1st Quarter FY 2023		Final Adjustment to FY 2023		FY 2023 Amended Budget
		Amendments	Regional System	Local System	Budget	
<b>Revenues</b>						
1 Regional System Wholesale Revenues	\$ 354,947,900	\$ (1,257,300)	\$ -	\$ -	\$ 353,690,600	
2 Local System Revenues	70,104,100	-	18,061,300		88,165,400	
3 Miscellaneous Revenue (Local System)	3,900,000	-	800		3,900,800	
4 Non-Operating Revenue (Regional System)	1,123,700	5,921,200	-		7,044,900	
<b>5 Total Revenues</b>	<b>\$ 430,075,700</b>	<b>\$ 4,663,900</b>	<b>\$ 18,062,100</b>	<b>\$ 452,801,700</b>		
<b>Revenue Requirements</b>						
<b>Operations &amp; Maintenance Expense</b>						
6 Regional System Wholesale Expenses	\$ 144,847,700	\$ -	\$ -	\$ -	\$ 144,847,700	
7 Local System Expenses	30,490,000	-	12,091,600		42,581,600	
8 GRS Pension allocable to Regional System	6,048,000	-	-		6,048,000	
9 GRS Pension allocable to Local System	4,272,000	-	-		4,272,000	
<b>10 Total Operations &amp; Maintenance Expense</b>	<b>185,657,700</b>	<b>-</b>	<b>12,091,600</b>	<b>197,749,300</b>		
<b>11 Net Revenues after Operations &amp; Maintenance Expense</b>	<b>\$ 244,418,000</b>	<b>\$ 4,663,900</b>	<b>\$ 5,970,500</b>	<b>\$ 255,052,400</b>		
<b>Debt Service by Lien</b>						
12 Senior Lien Bonds	\$ 135,939,700	\$ (2,166,600)	\$ -	\$ -	\$ 133,773,100	
13 Second Lien Bonds	47,200,100	2,917,100	-		50,117,200	
14 SRF Junior Lien Bonds	10,061,800	(258,900)	-		9,802,900	
<b>15 Total Debt Service</b>	<b>\$ 193,201,600</b>	<b>\$ 491,600</b>	<b>\$ -</b>	<b>\$ 193,693,200</b>		
<b>Debt Service Coverage</b>						
16 Senior Lien Bonds (11)/(12)	1.80	0.06	0.04		1.91	
17 Second Lien Bonds (11) /[(12)+(13)]	1.33	0.02	0.03		1.39	
18 SRF Junior Lien Bonds (11)/(15)	1.27	0.02	0.03		1.32	

\* Rows highlighted in light grey in the above table are designed to align with the DWSD Budget. The approved GLWA budget was based on preliminary DWSD budget information.

\*\* Total Debt Service, highlighted in dark grey (Row 15) in the above table, is adopted by the GLWA Board.



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

<b>Appropriation Level – Debt Service – Water System Debt Service Coverage Calculation Budget Amendment Explanation</b>	
Total Debt Service	<i>For purposes of Debt Service coverage, we look at the combined Regional and Local (DWSD) revenue less operations &amp; maintenance (O&amp;M) expense to determine net revenues to calculate the Debt Service Coverage. The Board adopts the Debt Service amount shown on line 15 of the Water System Debt Service Coverage Calculation table on the previous page. This is the amount necessary to pay the principal of and interest on all Regional Water System bonds and to restore any reserves therefore established in the Master Bond Ordinance.</i>



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 2B - Appropriation Level – Debt Service Coverage Calculation – Sewer System**

Sewer System - Debt Service Coverage Calculation	1st Quarter FY 2023		Final Adjustment to FY 2023		FY 2023 Amended Budget
	FY 2023 Adopted Budget	Amendments Regional System	Local System Budget		
<b>Revenues</b>					
1 Regional System Wholesale Revenues	\$ 479,816,500	\$ (2,396,300)	\$ -	\$ 477,420,200	
2 Local System Revenues	96,467,800	-	(17,897,700)	78,570,100	
3 Miscellaneous Revenue (Local System)	7,640,000	-	(1,300)	7,638,700	
4 Non-Operating Revenue (Regional System)	1,555,600	7,615,600	-	9,171,200	
<b>5 Total Revenues</b>	<b>\$ 585,479,900</b>	<b>\$ 5,219,300</b>	<b>\$ (17,899,000)</b>	<b>\$ 572,800,200</b>	
<b>Revenue Requirements</b>					
<b>Operations &amp; Maintenance Expense</b>					
6 Regional System Wholesale Expenses	\$ 184,052,600	\$ 10,769,900	\$ -	\$ 194,822,500	
7 Local System Expenses	63,390,000	-	(11,993,600)	51,396,400	
8 GRS Pension allocable to Regional System	10,824,000	-	-	10,824,000	
9 GRS Pension allocable to Local System	2,856,000	-	-	2,856,000	
<b>10 Total Operations &amp; Maintenance Expense</b>	<b>261,122,600</b>	<b>10,769,900</b>	<b>(11,993,600)</b>	<b>259,898,900</b>	
<b>11 Net Revenues after Operations &amp; Maintenance Expense</b>	<b>\$ 324,357,300</b>	<b>\$ (5,550,600)</b>	<b>\$ (5,905,400)</b>	<b>\$ 312,901,300</b>	
<b>Debt Service by Lien</b>					
12 Senior Lien Bonds	\$ 149,780,900	\$ 1,749,800	\$ -	\$ 151,530,700	
13 Second Lien Bonds	36,738,500	3,108,600	-	39,847,100	
14 SRF Junior Lien Bonds	51,084,400	891,300	-	51,975,700	
<b>15 Total Debt Service</b>	<b>\$ 237,603,800</b>	<b>\$ 5,749,700</b>	<b>\$ -</b>	<b>\$ 243,353,500</b>	
<b>Debt Service Coverage</b>					
16 Senior Lien Bonds (11)/(12)	2.17	(0.06)	(0.04)	2.06	
17 Second Lien Bonds (11) / [(12)+(13)]	1.74	(0.07)	(0.03)	1.63	
18 SRF Junior Lien Bonds (11) / (15)	1.37	(0.06)	(0.02)	1.29	

\* Rows highlighted in light grey in the above table are designed to align with the DWSD Budget. The approved GLWA budget was based on preliminary DWSD budget information.

\*\* Total Debt Service, highlighted in dark grey (Row 15) in the above table, is adopted by the GLWA Board.



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

<b>Appropriation Level - Debt Service - Sewer System Debt Service Coverage Calculation Budget Amendment Explanation</b>	
Total Debt Service	<i>For purposes of Debt Service coverage, we look at the combined Regional and Local (DWSD) revenue less operations &amp; maintenance (O&amp;M) expense to determine net revenues to calculate the Debt Service Coverage. The Board adopts the Debt Service amount shown on line 15 of the Sewer System Debt Service Coverage Calculation table on the previous page. This is the amount necessary to pay the principal of and interest on all Regional Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance.</i>



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FY 2023 Ending September 30, 2022

**Table 3A - Appropriation Level – Improvement & Extension Fund – Water System**

Water Improvement & Extension Fund	FY 2023 Board Adopted Budget	Total 1st Quarter FY 2023 Amendments		FY 2023 Amended Budget	FY 2022 Activity Thru 07/31/2022
<b>Revenues</b>					
Water System Transfers In from General Operating	\$ 24,300,000	\$ 4,173,700	\$ 28,473,700	\$ 2,025,000	
Earnings on Investments (b)	308,300	1,579,900	1,888,200	47,800	
Net Use (Increase) of Reserves (a)	19,888,000	(15,409,100)	4,478,900	-	
<b>Total Revenues</b>	<b>\$ 44,496,300</b>	<b>\$ (9,655,500)</b>	<b>\$ 34,840,800</b>	<b>\$ 2,072,800</b>	
<b>Expenditures</b>					
Water System Revenue Transfers Out (b)	\$ 308,300	\$ 1,579,900	\$ 1,888,200	\$ 148,500	
Capital Spending - Other	-	-	-	1,596,200	
Capital Outlay	15,452,600	-	15,452,600	519,100	
Revenue Financed Capital - Transfer to Construction Fund	28,735,400	(11,235,400)	17,500,000	15,829,300	
<b>Total Expenditures</b>	<b>\$ 44,496,300</b>	<b>\$ (9,655,500)</b>	<b>\$ 34,840,800</b>	<b>\$ 18,093,100</b>	
<i>(a) Beginning Net Position</i>	<i>\$ 110,185,500</i>	<i>\$ (15,685,500)</i>	<i>\$ 94,500,000</i>		
<i>Net (Use) Increase of Reserves</i>	<i>\$ (19,888,000)</i>	<i>\$ 15,409,100</i>	<i>\$ (4,478,900)</i>		
<i>Projected Ending Net Position</i>	<i>\$ 90,297,500</i>	<i>\$ (276,400)</i>	<i>\$ 90,021,100</i>		

(a) The beginning net position reflects an estimated unaudited net position as of 6.30.2022 based on estimated activity at the time of budget approval. This figure will continue to change as the audit process ensues.

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



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FY 2023 Ending September 30, 2022

<b>Appropriation Level - Improvement &amp; Extension Fund - Water System Budget Amendment Explanation</b>	
<b>Revenues</b>	
Transfers In from General Operating	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2023 revenue requirement based upon general operating fund performance. (see I&amp;E Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Water System General Operating table).</i>
Earnings on Investments	<i>The increase is based on the revised interest rates. There is a corresponding transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. The net effect on the I&amp;E Fund is zero as the earnings are budgeted and accounted for in the operating fund to lower revenue requirement for charges.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenses. A negative amount represents an increase in reserves from current year activity rather than a use of reserves.</i>
<b>Expenditures</b>	
Water System Revenue Transfers Out (Earnings on Investments)	<i>The increase is based on the revised interest rates. This line offsets Earnings on Investments and represents the transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. Any variance in activity between the two lines represents a timing difference.</i>
Capital Spending - Other	<i>No budget amendment is required. This line represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.</i>
Capital Outlay	<i>No budget amendment is required.</i>
Revenue Financed Capital - Transfer to Construction Fund	<i>The proposed budget amendment reflects the reduced need to use I&amp;E funds for Capital Projects as a result of the September 2022 bond transaction and increase in SRF loans.</i>



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 3B - Appropriation Level - Improvement & Extension Fund – Sewer System**

Sewer Improvement & Extension Fund	FY 2023 Board Adopted Budget	Total 1st Quarter FY 2023 Amendments	FY 2023 Amended Budget	FY 2022 Activity Thru 07/31/2022
<b>Revenues</b>				
Sewer System Transfers In from General Operating	\$ 39,342,500	\$ (11,267,700)	\$ 28,074,800	\$ 3,278,500
Receipt of DWSD Shortfall Loan Interest	-	-	-	-
Earnings on Investments (b)	247,700	1,768,800	2,016,500	77,500
Net Use (Increase) of Reserves (a)	5,549,500	8,322,800	13,872,300	-
<b>Total Revenues</b>	<b>\$ 45,139,700</b>	<b>\$ (1,176,100)</b>	<b>\$ 43,963,600</b>	<b>\$ 3,356,000</b>
<b>Expenditures</b>				
Sewer System Revenue Transfers Out (b)	\$ 247,700	\$ 1,768,800	\$ 2,016,500	\$ 151,400
Capital Spending - Other	-	2,389,700	2,389,700	61,800
Capital Outlay	18,447,100	-	18,447,100	132,700
Revenue Financed Capital - Transfer to Construction Fund	26,444,900	(5,334,600)	21,110,300	8,134,700
<b>Total Expenditures</b>	<b>\$ 45,139,700</b>	<b>\$ (1,176,100)</b>	<b>\$ 43,963,600</b>	<b>\$ 8,480,600</b>
<i>(a) Beginning Net Position</i>	<i>\$ 93,214,400</i>	<i>\$ 11,085,600</i>	<i>\$ 104,300,000</i>	
<i>Net (Use) Increase of Reserves</i>	<i>(5,549,500)</i>	<i>\$ (8,322,800)</i>	<i>(13,872,300)</i>	
<i>Projected Ending Net Position</i>	<i>\$ 87,664,900</i>	<i>\$ 2,762,800</i>	<i>\$ 90,427,700</i>	

(a) The beginning net position reflects an estimated unaudited net position as of 6.30.2022 based on estimated activity at the time of budget approval. This figure will continue to change as the audit process ensues.

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Appropriation Level - Improvement & Extension Fund - Sewer System Budget Amendment Explanations**

**Revenues**

Transfers In from General Operating	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2023 revenue requirement based upon general operating fund performance. (see I&amp;E Fund Transfer Pending line on the Appropriation Level-Revenue Requirement-Sewer System General Operating table).</i>
Receipt of DWSD Shortfall Loan Interest	<i>No budget amendment is required. This line represents the interest earnings on Notes Receivable, when applicable, for DWSD Sewer System Shortfall to the payment schedule.</i>
Earnings on Investments	<i>The increase is based on the revised interest rates. There is a corresponding transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. The net effect on the I&amp;E Fund is zero as the earnings are budgeted and accounted for in the operating fund to lower revenue requirement for charges.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenditures. A negative amount represents an increase in reserves from current year activity rather than a use of reserves.</i>

**Expenditures**

Sewer System Revenue Transfers Out (Earnings on Investments)	<i>The increase is based on the revised interest rates. This line offsets Earnings on Investments and represents the transfer of earnings back to the general operating fund as allowed by the Master Bond Ordinance. Any variance in activity between the two lines represents a timing difference.</i>
Capital Spending - Other	<i>The proposed budget amendment represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing.</i>
Capital Outlay	<i>No budget amendment is required.</i>
Revenue Financed Capital - Transfer to Construction Fund	<i>The proposed budget amendment reflects the reduced need to use I&amp;E funds for Capital Projects as a result of the September 2022 bond transaction and increase in SRF loans.</i>



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 4A - Appropriation Level – Construction Fund – Water System**

Water Construction Fund	FY 2023 Board Adopted Budget	Total 1st Quarter FY 2023 Amendments	FY 2023 Amended Budget	FY 2022 Activity Thru 07/31/2022
<b>Revenues</b>				
Transfer from Improvement & Extension Fund	\$ 28,735,400	\$ (11,235,400)	\$ 17,500,000	\$ 15,829,300
Bond Proceeds	-	225,000,000	225,000,000	-
Bond Fund Earnings on Investments	128,800	749,000	877,800	-
Grant Revenues (SRF Loans)	54,992,000	71,838,000	126,830,000	-
Net Use (Increase) of Reserves (a)	71,644,800	(247,476,600)	(175,831,800)	-
<b>Total Revenues</b>	<b>\$ 155,501,000</b>	<b>\$ 38,875,000</b>	<b>\$ 194,376,000</b>	<b>\$ 15,829,300</b>
<b>Expenditures</b>				
Capital Improvement Plan (b)	\$ 194,376,000	\$ -	\$ 194,376,000	\$ 11,578,700
Capital Spend Rate Adjustment	(38,875,000)	38,875,000	-	-
<b>Total Expenditures (b)</b>	<b>\$ 155,501,000</b>	<b>\$ 38,875,000</b>	<b>\$ 194,376,000</b>	<b>\$ 11,578,700</b>
<i>(a) Beginning Net Position</i>	<i>\$ 188,251,300</i>	<i>\$ (165,251,300)</i>	<i>\$ 23,000,000</i>	
<i>Net (Use) Increase of Reserves</i>	<i>(71,644,800)</i>	<i>247,476,600</i>	<i>175,831,800</i>	
<i>Projected Ending Net Position</i>	<i>\$ 116,606,500</i>	<i>\$ 82,225,300</i>	<i>\$ 198,831,800</i>	
<i>(b) Plus Direct I&amp;E Projects</i>	<i>-</i>	<i>-</i>	<i>-</i>	
<i>Total CIP Expenditures</i>	<i>155,501,000</i>	<i>38,875,000</i>	<i>194,376,000</i>	
<i>Total Published Capital Improvement Plan</i>	<i>194,376,000</i>		<i>194,376,000</i>	
<i>Capital Spending Ratio</i>	<i>80.0%</i>		<i>100.0%</i>	

(a) The beginning net position reflects an estimated unaudited net position as of 6.30.2022 based on estimated activity at the time of budget approval. This figure will continue to change as the audit process ensues.

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

<b>Appropriation Level – Construction Fund – Water System Budget Amendment Explanations</b>	
<b>Revenues</b>	
Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2023 Improvement &amp; Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement &amp; Extension Fund-Water System table). The change is due to the reduced need to use I&amp;E funds for Capital Projects as a result of the September 2022 bond transaction and increase in SRF loans.</i>
Bond Proceeds	<i>The proposed budget amendment is to record the proceeds from the September 2022 bond transaction.</i>
Earnings on Investments	<i>The proposed budget amendment reflects the estimated investment earnings from the September 2022 bond transaction.</i>
Grant Revenues (State Revolving Fund Loans)	<i>State Revolving Fund (SRF) loan disbursements are on a reimbursement basis. The amount and timing of revenues fluctuates with project expenditures incurred. The proposed amendment reflects the timing of project design and construction activity that shifts SRF loan closings from FY 2022 into FY 2023. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the <a href="#">July 2022 Audit Committee binder</a> which provides details related to the SRF funding and associated projects.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenditures. A "use of reserves" indicates a spend down of prior year reserves. The amount has been amended to reflect the anticipated increase in the Capital spend rate from 80% to 100% as well as the increased revenues from Bond proceeds, SRF loans, and Investment earnings.</i>
<b>Expenditures</b>	
Capital Improvement Plan	<i>No budget amendment is required. This line represents an adjustment to the projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing. This amount is reflected on the 'Capital Spending – Other' line on the Water Improvement &amp; Extension Fund table.</i>



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FY 2023 Ending September 30, 2022

**Appropriation Level – Construction Fund – Water System Budget Amendment Explanations**

Capital Spend Rate Assumption Adjustment	<i>The proposed budget amendment represents the increase in the projected Capital Spend Rate for the Water CIP from 80% to 100.0%. The Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The most recent quarterly construction work-in-progress (CWIP) report is presented in the September 2022 Audit Committee binder.</i>
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Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Table 4B - Appropriation Level – Construction Fund – Sewer System**

Sewer Construction Fund	FY 2023 Board Adopted Budget	Total 1st Quarter FY 2023 Amendments		FY 2023 Amended Budget	FY 2022 Activity Thru 07/31/2022
<b>Revenues</b>					
Transfer from Improvement & Extension Fund	\$ 26,444,900	\$ (5,334,600)	\$ 21,110,300	\$ 8,134,700	
Bond Proceeds	-	225,000,000	225,000,000	-	
Bond Fund Earnings on Investments	86,200	820,000	906,200	-	
Grant Revenues (SRF Loans)	18,720,000	31,317,000	50,037,000	-	
Net Use (Increase) of Reserves (a)	49,197,900	(222,709,100)	(173,511,200)	-	
<b>Total Revenues</b>	<b>\$ 94,449,000</b>	<b>\$ 29,093,300</b>	<b>\$ 123,542,300</b>	<b>\$ 8,134,700</b>	
<b>Expenditures</b>					
Capital Improvement Plan (b)	\$ 125,932,000	\$ (2,389,700)	\$ 123,542,300	\$ 4,365,300	
Capital Spend Rate Adjustment	(31,483,000)	31,483,000	-	-	
<b>Total Expenditures (b)</b>	<b>\$ 94,449,000</b>	<b>\$ 29,093,300</b>	<b>\$ 123,542,300</b>	<b>\$ 4,365,300</b>	
<i>(a) Beginning Net Position</i>	<i>\$ 131,883,800</i>	<i>\$ (115,883,800)</i>	<i>\$ 16,000,000</i>		
<i>Net (Use) Increase of Reserves</i>	<i>(49,197,900)</i>	<i>222,709,100</i>	<i>173,511,200</i>		
<i>Projected Ending Net Position</i>	<i>\$ 82,685,900</i>	<i>\$ 106,825,300</i>	<i>\$ 189,511,200</i>		
<i>(b) Plus Direct I&amp;E Projects</i>	<i>-</i>	<i>-</i>	<i>-</i>		
<i>Total CIP Expenditures</i>	<i>94,449,000</i>	<i>29,093,300</i>	<i>123,542,300</i>		
<i>Total Published Capital Improvement Plan</i>	<i>125,932,000</i>		<i>123,542,300</i>		
<i>Capital Spending Ratio</i>	<i>75.0%</i>		<i>100.0%</i>		

(a) The beginning net position reflects an estimated unaudited net position as of 6.30.2022 based on estimated activity at the time of budget approval. This figure will continue to change as the audit process ensues.

(b) Note: As outlined in the Master Bond Ordinance, the investment earnings in the I&E Fund are transferred to the Receiving Fund. The impact is to reduce revenue required from charges when calculating the annual Revenue Requirement budget.



Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022

**Appropriation Level – Construction Fund – Sewer System Budget Amendment Explanations**

**Revenues**

Transfers from Improvement & Extension Fund	<i>The proposed budget amendment is to match the amount available for transfer from the FY 2023 Improvement &amp; Extension Fund (see Revenue Financed Capital-Operating Transfer to Construction Fund line on the Appropriation Level-Improvement &amp; Extension Fund-Sewer System table). The change is due to the reduced need to use I&amp;E funds for Capital Projects as a result of the September 2022 bond transaction and increase in SRF loans.</i>
Bond Proceeds	<i>The proposed budget amendment is to record the proceeds from the September 2022 bond transaction.</i>
Earnings on Investments	<i>The proposed budget amendment reflects the estimated investment earnings from the September 2022 bond transaction.</i>
Grant Revenues (State Revolving Fund Loans)	<i>State Revolving Fund (SRF) loan disbursements are on a reimbursement basis. The amount and timing of funds fluctuates with project expenditures incurred. The proposed amendment reflects the timing of project design and construction activity that shifts SRF loan closings from FY 2022 into FY 2023. Details related to the SRF projects are presented in the quarterly debt report. The most recent quarterly debt report is presented in the <a href="#">July 2022 Audit Committee binder</a> which provides details related to the SRF funding and associated projects.</i>
Net Use (Source) of Reserves	<i>This amount represents the net amount of revenues less expenditures. A "use of reserves" indicates a spend down of prior year reserves. The amount has been amended to reflect the anticipated increase in the Capital spend rate from 80% to 100% as well as the increased revenues from Bond proceeds, SRF loans, and Investment earnings.</i>

**Expenditures**



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<b>Appropriation Level – Construction Fund – Sewer System Budget Amendment Explanations</b>	
Capital Improvement Plan	<i>The proposed budget amendment represents projects in the Board adopted capital improvement plan (CIP) that do not meet the criteria for debt financing. This amount is reflected on the 'Capital Spending – Other' line on the Water Improvement &amp; Extension Fund table.</i>
Capital Spend Rate Adjustment	<i>The proposed budget amendment represents the increase in the projected Capital Spend Rate for the Sewer CIP from 75% to 100%. The Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established. Amendments to the spend rate assumption are made to align the projected financial use of resources with revised capital improvement plan spending forecasts. The most recent quarterly construction work-in-progress (CWIP) report is presented in the September 2022 Audit Committee binder.</i>



## ADDENDUM 1

### *Supplemental Information –*

#### *Enterprise-wide Operations & Maintenance Department and Account Level Amendments*

The summary of budget amendments for operations & maintenance (department and account level amendments) are organized by the four core groups. The FY 2023 first quarter budget amendments result in an increase to B - Sewer System Operations and net zero changes to the remaining three categories: A - Water System Operations, C – Centralized Services, and D – Administrative & Other Services.

GLWA's internal budget directive is for each area, group, and team to manage their needs to an amount within the initial budget. To the extent that is not possible, an amendment is made from the unallocated reserve. If savings are incurred, or an area appears to not require as much funding as established in the original budget, that department's budgeted expenses are reduced, and the unallocated reserve is increased. In administering the budget, there are several refinements to departments and account categories. An explanation of key items is included in the table in Addendum 1.

Items greater than \$500,000 include the following (see the table on the following page).

- B – Wastewater System Operations – Net change = \$10.8 million
  - Chemicals – Increase of \$7.7 million – Adjustment for increase in chemical costs (primarily chlorine-based products) and estimated usage in FY 2023. The following table shows the pricing history of chlorine experienced by GLWA.

Water Operations	Date	Price	Wastewater	Date	Price
1 Ton Containers	4/1/2019	\$ 399.00	90 Ton Railcars	1/1/2021	\$ 297.20
1 Ton Containers	3/30/2021	\$ 460.00	90 Ton Railcars	6/25/2021	\$ 467.20
1 Ton Containers	9/1/2021	\$ 630.00	90 Ton Railcars	11/23/2021	\$ 697.20
1 Ton Containers	11/1/2021	\$ 860.00	90 Ton Railcars	1/4/2022	\$ 1,140.00
1 Ton Containers	1/15/2022	\$ 1,251.00	90 Ton Railcars	2/1/2022	\$ 1,240.00
1 Ton Containers	4/15/2022	\$ 1,500.00	90 Ton Railcars	7/1/2022	\$ 1,640.00
1 Ton Containers	10/1/2022	\$ 1,838.00	90 Ton Railcars	10/1/2022	\$ 1,778.00

- Contractual Services – Increase of \$1.6 million – The use of the New England Fertilizer Co. (NEFCO) contract, PC-792, has increased, along with an increase in the cost for the material processed through the Biosolids Dryer Facility (BDF), which is based on the increasing consumer price index (CPI) (\$1.2 million); and the amount of the new facilities maintenance contract, which

## **ADDENDUM 1**

### *Supplemental Information –*

#### *Enterprise-wide Operations & Maintenance Department and Account Level Amendments*

started on July 01, 2022, is higher than the budgeted amount for this contract (\$0.4 million).

- Utilities – Increase of \$4.9 million – Details can be found in *Addendum 2 – Supplemental Information – Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments*.
- Unallocated Reserve – Decrease of \$3.1 million – Used to offset a portion of the increases primarily in chemicals and utilities.
- C – Centralized Services – Net change = zero
  - Shared Services (GLWA is the Provider of services to DWSD) - Decrease in the agreements (results in an increase to the Operations & Maintenance expense) of \$1.4 million – The Security & Integrity agreement, along with several of the Information Technology agreements have either had a change in scope or have been terminated.
    - Agreements that have been changed – The OPS-005 Security and Integrity agreement was terminated and OPS-005A was created (\$94,800 decrease). The services provided under ITS-014 – Security Network were revised (\$18,500 decrease).
    - Terminated Agreements – ITS-004A WAM (\$408,100 decrease), ITS-008A TIBCO (\$40,800 decrease), ITS-009A IT Infrastructure (\$816,000 decrease), and ITS-012 Oracle Database Licensing (\$45,900 decrease).
    - The reduction in the Shared Services agreements will not result in a reduction in expense as Information Technology resources will be utilized to focus on other initiatives.
  - Contractual Services (Shared Service agreements in which GLWA is the Subscriber – receives services from DWSD) - Decrease in the agreements (results in a decrease to the Operations & Maintenance expense) of \$205,900 – Two agreements have been terminated: DoIT-001 Financial Information System (\$159,200 decrease) and DoIT-003 Customer Service Technology Suite (\$46,700 decrease).
  - Unallocated Reserve – Decrease of \$1.2 million – Utilized to offset the changes to the Shared Services agreements.

**ADDENDUM 1***Supplemental Information –**Enterprise-wide Operations & Maintenance Department and Account Level Amendments*

The table below shows the adjustment per Expense Category for the two core groups that are affected by the first quarter FY 2023 budget amendments.

<b>Major Budget Categories and Expense Categories</b>	<b>Total</b>
	<b>1st Quarter</b>
	<b>FY 2023</b>
	<b>Amendments</b>
<b>B Wastewater System Operations</b>	<b>10,769,900</b>
Chemicals	7,663,000
Contractual Services	1,619,200
Personnel	(367,200)
Unallocated Reserve	(3,055,200)
Utilities	4,910,100
<b>C Centralized Services</b>	<b>-</b>
Contractual Services	(205,900)
Unallocated Reserve	(1,218,200)
Shared Services	1,424,100
<b>Grand Total</b>	<b>10,769,900</b>

## ADDENDUM 1

Supplemental Information  
Enterprise-wide Operations & Maintenance Department and Account Level Amendments

Departmental and Account Level Amendments	Total	1st Quarter	FY 2023	Amendments	Explanation of Key Items
<b>B Wastewater System Operations</b>	<b>10,769,900</b>				
<b>7 Mile Combined Sewer Overflow</b>	<b>8,000</b>				
Utilities	8,000				
<b>Baby Creek Combined Sewer Overflow</b>	<b>343,800</b>				
Chemicals	305,800	Unit price of chemicals has increased in excess of budget; based on estimated quantity use.			
Utilities	38,000				
<b>BDF, COF &amp; Hauling</b>	<b>2,076,100</b>				
Contractual Services	1,252,000	CPI Impact on the NEFCO contract and hauling price increases in excess of budget.			
Personnel	(23,900)				
Utilities	848,000	The cost of natural gas per MMBTU has significantly increased over the past two years.			
<b>Belle Isle Combined Sewer Overflow</b>	<b>17,500</b>				
Chemicals	17,500				
<b>Chief Operating Officer Wastewater</b>	<b>(6,800)</b>				
Personnel	(6,800)				
<b>Combined Sewer Overflow</b>	<b>275,400</b>				
Personnel	275,400	Increase budget for anticipated overtime as well as use of contractors to fill vacant positions.			
<b>Conner Creek Combined Sewer Overflow</b>	<b>1,899,100</b>				
Chemicals	1,871,100	Unit price of chemicals has increased in excess of budget; based on estimated quantity use.			
Utilities	28,000				
<b>Conner Pumping Station</b>	<b>34,000</b>				
Utilities	34,000				
<b>Fairview Pumping Station</b>	<b>235,000</b>				
Utilities	235,000	Electricity supplier has changed billing for energy generation which has resulted in an increase to the charge for kWh.			
<b>Freud Pumping Station</b>	<b>112,000</b>				
Utilities	112,000				
<b>Hubble Southfield CSO</b>	<b>278,100</b>				
Chemicals	268,100				
Utilities	10,000				
<b>Leib Combined Sewer Overflow</b>	<b>165,600</b>				
Chemicals	124,600				
Utilities	41,000				
<b>Northeast Pumping Station</b>	<b>28,000</b>				
Utilities	28,000				
<b>Oakwood Combined Sewer Overflow</b>	<b>288,000</b>				
Chemicals	239,200				
Utilities	48,800				
<b>Oakwood Pumping Station</b>	<b>42,000</b>				
Utilities	42,000				
<b>Puritan Fenkell Combined Sewer Overflow</b>	<b>30,100</b>				
Chemicals	23,100				
Utilities	7,000				
<b>St Aubin Combined Sewer Overflow</b>	<b>39,100</b>				
Chemicals	41,100				
Utilities	(2,000)				
<b>Wastewater Dewatering Process</b>	<b>208,100</b>				
Chemicals	156,000				
Personnel	52,100				
<b>Wastewater Director</b>	<b>511,100</b>				
Contractual Services	367,200	New facilities maintenance contract (started 07.01.2022) higher than what was budgeted.			
Personnel	143,900				
<b>Wastewater Engineering</b>	<b>(125,900)</b>				
Personnel	(125,900)				
<b>Wastewater Incineration Process</b>	<b>(89,900)</b>				
Personnel	(89,900)				
<b>Wastewater Laboratories</b>	<b>(527,100)</b>				
Personnel	(527,100)	Reduction in budget for positions that will not be filled until later in the year.			
<b>Wastewater Operations</b>	<b>3,382,000</b>				
Personnel	(50,300)				
Utilities	3,432,300	Both the cost of natural gas and electricity has increased (see explanations for BDF,COF & Hauling and Fairview Pumping Station above).			
<b>Wastewater Primary Process</b>	<b>2,053,700</b>				
Chemicals	1,947,800	Unit price of chemicals has increased in excess of budget; based on estimated quantity use.			
Personnel	105,900				
<b>Wastewater Process Control</b>	<b>(209,300)</b>				
Personnel	(209,300)	Reduction in budget for hard-to-fill positions that will not be filled until later than originally planned.			
<b>Wastewater Secondary Process</b>	<b>2,757,400</b>				
Chemicals	2,668,700	Unit price of chemicals has increased in excess of budget; based on estimated quantity use.			
Personnel	88,700				
<b>Wastewater System Operations Unallocated Reserves</b>	<b>(3,055,200)</b>				
Unallocated Reserve	(3,055,200)	Unallocated Reserve used to offset the increase in chemicals and utilities.			

## ADDENDUM 1

Supplemental Information  
Enterprise-wide Operations & Maintenance Department and Account Level Amendments

Departmental and Account Level Amendments	Total 1st Quarter FY 2023 Amendments	Explanation of Key Items	
<b>C Centralized Services</b>	-	The following Shared Service agreements with DWSD have had a change in scope or have ended.	
<b>Security and Integrity</b>	<b>94,800</b>	94,800	OPS-005 - Security & Integrity (reduction in scope)
Shared Services		94,800	
<b>Info Technology Infrastructure</b>	<b>834,500</b>	834,500	ITS-009A IT Infrastructure (ended); ITS-014 Security Network (reduction in scope)
Shared Services		834,500	
<b>Info Tech Enterprise Asset Mgmt Systems</b>	<b>448,100</b>	448,100	(46,700) DoIT-003 Customer Service Technology Suite (ended)
Contractual Services		(46,700)	
Shared Services		494,800	ITS-004A WAM (ended); ITS-008A TIBCO (ended); ITS-012 Oracle Database Licensing (ended)
<b>Info Tech Business Productivity Systems</b>	<b>(159,200)</b>	(159,200)	(159,200) DoIT-001 Financial Information System (ended)
Contractual Services		(159,200)	
<b>Centralized Services Unallocated Reserves</b>	<b>(1,218,200)</b>	(1,218,200)	Unallocated Reserve used to offset the reduction to Shared Services.
Unallocated Reserve		(1,218,200)	
<b>Grand Total</b>	<b>10,769,900</b>	10,769,900	Increase to the Sewer System Operations & Maintenance budget for rising costs in areas such as chemicals and utilities.

*Totals may be off due to rounding*



**Quarterly Budget Amendment Report  
FY 2023 Ending September 30, 2022**

**ADDENDUM 2**

*Supplemental Information –*

*Enterprise-wide Operations & Maintenance Account Type and Department Level Amendments*

The table in Addendum 2 summarizes the FY 2023 first quarter budget amendments for operations & maintenance by the major expense categories (account type). An explanation of key items is included in the table in Addendum 2.

A significant increase in the cost of utilities was experienced in FY 2022 and continues into FY 2023, especially in the Wastewater System Operations.

- Electric - \$2.1 million
  - DTE has changed from a nuclear surcharge recovery to a volumetric delivery surcharge. This change has resulted in an increase to the charge for kWh.
  - In May 2021 the third redundant electrical feed was energized at the WRRF. This third feed is used to ensure that there are no power interruptions at the facility. The feed is an additional \$22,000 per month and was not known at the time the FY 2023 budget was developed.
- Gas - \$2.8 million
  - The cost of natural gas MMBTU has increased significantly over the past two years.
  - Increased production at the Biosolids Dryer Facility (BDF) and wastewater incineration has led to an increase in natural gas usage.

Utilities	Total 1st Quarter FY 2023 Amendments
<b>B Wastewater System Operations</b>	<b>4,910,100</b>
Electric	2,148,000
Gas	2,762,100
<b>Grand Total</b>	<b>4,910,100</b>

## ADDENDUM 2

Supplemental Information  
Enterprise-wide Operations & Maintenance  
Account Type and Department Level Amendments

Expense Categories and Departmental Level Amendments	Total	1st Quarter	
		FY 2023	Explanation of Key Items
		Amendments	
<b>Chemicals</b>	<b>7,663,000</b>		Unit price of chemicals has increased in excess of budget; based on estimated quantity use.
Baby Creek Combined Sewer Overflow	305,800		
Belle Isle Combined Sewer Overflow	17,500		
Conner Creek Combined Sewer Overflow	1,871,100		
Hubble Southfield CSO	268,100		
Leib Combined Sewer Overflow	124,600		
Oakwood Combined Sewer Overflow	239,200		
Puritan Fenkell Combined Sewer Overflow	23,100		
St Aubin Combined Sewer Overflow	41,100		
Wastewater Dewatering Process	156,000		
Wastewater Primary Process	1,947,800		
Wastewater Secondary Process	2,668,700		
<b>Contractual Services</b>	<b>1,413,300</b>		
BDF, COF & Hauling	1,252,000		CPI Impact on the NEFCO contract and hauling price increases in excess of budget.
Wastewater Director	367,200		New facilities maintenance contract (started 07.01.2022) higher than what was budgeted.
Info Tech Enterprise Asset Mgmt Systems	(46,700)		
Info Tech Business Productivity Systems	(159,200)		
<b>Personnel</b>	<b>(367,200)</b>		
BDF, COF & Hauling	(23,900)		
Chief Operating Officer Wastewater	(6,800)		
Combined Sewer Overflow	275,400		Increase budget for anticipated overtime as well as use of contractors to fill vacant positions.
Wastewater Dewatering Process	52,100		
Wastewater Director	143,900		
Wastewater Engineering	(125,900)		
Wastewater Incineration Process	(89,900)		
Wastewater Laboratories	(527,100)		Reduction in budget for positions that will not be filled until later in the year.
Wastewater Operations	(50,300)		
Wastewater Primary Process	105,900		
Wastewater Process Control	(209,300)		Reduction in budget for hard-to-fill positions that will not be filled until later than originally planned.
Wastewater Secondary Process	88,700		
<b>Unallocated Reserve</b>	<b>(4,273,400)</b>		
Wastewater System Operations Unallocated Reserves	(3,055,200)		Unallocated Reserve used to offset the increase in chemicals and utilities.
Centralized Services Unallocated Reserves	(1,218,200)		Unallocated Reserve used to offset the reduction to Shared Services.
<b>Utilities</b>	<b>4,910,100</b>		
7 Mile Combined Sewer Overflow	8,000		
Baby Creek Combined Sewer Overflow	38,000		
BDF, COF & Hauling	848,000		The cost of natural gas per MMBTU has significantly increased over the past two years.
Conner Creek Combined Sewer Overflow	28,000		
Conner Pumping Station	34,000		
Fairview Pumping Station	235,000		Electricity supplier has changed billing for energy generation which has resulted in an increase to the charge for kWh.
Freud Pumping Station	112,000		
Hubble Southfield CSO	10,000		
Leib Combined Sewer Overflow	41,000		
Northeast Pumping Station	28,000		
Oakwood Combined Sewer Overflow	48,800		
Oakwood Pumping Station	42,000		
Puritan Fenkell Combined Sewer Overflow	7,000		
St Aubin Combined Sewer Overflow	(2,000)		
Wastewater Operations	3,432,300		Both the cost of natural gas and electricity has increased (see explanations for BDF, COF & Hauling and Fairview Pumping Station above).
<b>Shared Services</b>	<b>1,424,100</b>		Several Shared Service agreements with DWSD have had a change in scope or have ended.
Security and Integrity	94,800		
Info Technology Infrastructure	834,500		
Info Tech Enterprise Asset Mgmt Systems	494,800		
<b>Grand Total</b>	<b>10,769,900</b>		Increase to the Sewer System Operations & Maintenance budget for rising costs in areas such as chemicals and utilities.

*Totals may be off due to rounding*

**Great Lakes Water Authority****Resolution 2022-414****Resolution Adopting the Budget Amendments through the First Quarter of FY 2023**

By Board Member:

**WHEREAS** The Great Lakes Water Authority (“GLWA” or the “Authority”) assumed the operation of the regional water and sewer systems on January 1, 2016 (the “Effective Date”) pursuant to Water System and Sewer System Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and

**WHEREAS** In accordance with the by-laws of the GLWA, further defined by its budget amendment policy, the Board shall amend the budget as needed based upon a quarterly report from the Chief Financial Officer; and

**WHEREAS** The GLWA Board adopted the FY 2023 budget on February 23, 2022, for the twelve-month fiscal year beginning July 1, 2022;

**WHEREAS** Following a review of the budget amendment report through the FY 2023 First Quarter, the appropriations established with the adoption of the general operating budget for the water system and the sewer system are amended as shown in the table below;

<b>General Operating Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>	
	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>	<b>Amended</b>
Revenues				
Suburban Wholesale Customer Charges	\$ 333,219,000	\$ 332,113,300	\$ 280,824,000	275,407,200
Less: Bad Debt	(1,257,000)	No Change	(5,420,500)	(2,400,000)
Retail Service Charges	22,985,900	22,834,300	191,042,200	No Change
Industrial Waste Control Charges	-	-	8,420,000	No Change
Pollutant Surcharges	-	-	4,950,800	No Change
Investment Earnings	948,700	6,869,900	1,155,600	8,771,200
Other Revenues	175,000	No Change	400,000	No Change
Total Revenues	<u>\$ 356,071,600</u>	<u>\$ 360,735,500</u>	<u>\$ 481,372,100</u>	<u>\$ 486,591,400</u>
<b>Revenue Requirements</b>				
Operations & Maintenance Expense	\$ 144,847,700	No Change	\$ 184,052,600	\$ 194,822,500
General Retirement System Legacy Pension	6,048,000	No Change	10,824,000	No Change
Debt Service	150,337,100	150,827,300	205,638,100	211,355,200
General Retirement System Accelerated Pension	6,268,300	No Change	11,620,700	No Change
Extraordinary Repair & Replacement Deposit	-	No Change	-	No Change
Water Residential Assistance Program Contribution	1,770,500	No Change	2,394,200	No Change
Regional System Lease	22,500,000	No Change	27,500,000	No Change
DWSD Budget Shortfall Pending	-	No Change	-	No Change
Improvement & Extension Fund Transfer	24,300,000	28,473,700	39,342,500	28,074,800
Total Revenue Requirements	<u>\$ 356,071,600</u>	<u>\$ 360,735,500</u>	<u>\$ 481,372,100</u>	<u>\$ 486,591,400</u>

**WHEREAS** Following a review of the budget amendment report through the FY 2023 First Quarter, the appropriations established with the adoption of the amounts necessary to pay the principal of and interest on all Regional bonds and to restore any reserves therefore established in the Master Bond Ordinance for the water system and the sewer system are amended as shown in the table below;

<b>Debt Service Coverage Calculation</b>			
<b>Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>
<b>Debt Service by Lien</b>	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>
Senior Lien Bonds	135,939,700	133,773,100	149,780,900
Second Lien Bonds	47,200,100	50,117,200	36,738,500
SRF Junior Lien Bonds	10,061,800	9,802,900	51,084,400
<b>Total Debt Service</b>	<b>\$ 193,201,600</b>	<b>\$ 193,693,200</b>	<b>\$ 237,603,800</b>
			<b>\$ 243,353,500</b>

**WHEREAS** Following a review of the budget amendment report through the FY 2023 First Quarter, the appropriations established with the adoption of the improvement and extension fund budget for the water system and the sewer system are amended as shown in the table below;

<b>Improvement &amp; Extension Fund</b>			
<b>Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>
<b>Revenues</b>	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>
Transfers In from General Operating	\$ 24,300,000	\$ 28,473,700	\$ 39,342,500
Receipt of DWSD Shortfall Loan	-	-	-
Earnings on Investments	308,300	1,888,200	247,700
Net Use of Reserves	19,888,000	4,478,900	5,549,500
<b>Total Revenues</b>	<b>\$ 44,496,300</b>	<b>\$ 34,840,800</b>	<b>\$ 45,139,700</b>
			<b>\$ 43,963,600</b>
<b>Expenditures</b>			
Water/Sewer System Revenue Transfers Out	\$ 308,300	\$ 1,888,200	\$ 247,700
Capital Spending - Other	-	-	2,389,700
Capital Outlay	15,452,600	No Change	18,447,100
Revenue Financed Capital - Opoerating			No Change
Transfer to Construction Fund	28,735,400	17,500,000	26,444,900
<b>Total Expenditures</b>	<b>\$ 44,496,300</b>	<b>\$ 34,840,800</b>	<b>\$ 45,139,700</b>
			<b>\$ 43,963,600</b>

**WHEREAS** Following a review of the budget amendment report through the FY 2023 First Quarter, the appropriations established with the adoption of the construction fund budget for the water system and the sewer system are amended as shown in the table below;

<b>Construction Fund Appropriation Category</b>	<b>Water System</b>		<b>Sewer System</b>	
	<b>Adopted</b>	<b>Amended</b>	<b>Adopted</b>	<b>Amended</b>
Transfer from Improvement & Extension Fund	\$ 28,735,400	17,500,000	\$ 26,444,900	21,110,300
Bond Proceeds	-	225,000,000	-	225,000,000
Grant Revenues (SRF Loans)	54,992,000	126,830,000	18,720,000	50,037,000
Earnings on Investments	128,800	877,800	86,200	906,200
Net (Use) Increase of Reserves	71,644,800	(175,831,800)	49,197,900	(173,511,200)
Total Revenues	<u>\$ 155,501,000</u>	<u>\$ 194,376,000</u>	<u>\$ 94,449,000</u>	<u>\$ 123,542,300</u>
<b>Expenditures</b>				
Project Expenditures	\$ 194,376,000	No Change	\$ 125,932,000	123,542,300
Capital Spend Rate Adjustment	<u>\$ (38,875,000)</u>	-	<u>\$ (31,483,000)</u>	-
Total Expenditures	<u>\$ 155,501,000</u>	<u>\$ 194,376,000</u>	<u>\$ 94,449,000</u>	<u>\$ 123,542,300</u>
Capital Spending Ratio	80.0%	100.0%	75.0%	100.0%

**WHEREAS** The GLWA Audit Committee reviewed the budget amendments at its meeting on September 23, 2022; and

**WHEREAS** An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution,

**NOW THEREFORE BE IT:**

**RESOLVED** That the GLWA Board approves the FY 2023 First Quarter Budget Amendments; and be it finally

**RESOLVED** That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Sonya Collins, Procurement Director

**Re:** Proposed Procurement Policy Amendment

**Background/Analysis:** See attached draft Board Letter.

**Proposed Action:** The GLWA Audit Committee recommends that the proposed Procurement Policy Amendment be approved by the Board of Directors and be effective upon approval by the Board.

..Title

**Proposed Procurement Policy Amendment**

..Body

Agenda of: September 28, 2022

Item No.:

Amount: N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Suzanne R. Coffey, P.E.  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** **September 23, 2022**

**RE:** **Proposed GLWA Procurement Policy Amendment**

**MOTION**

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), approves the Proposed Amendment to the Procurement Policy with an immediate effective date and authorizes the Chief Executive Officer (CEO) to take such other action as may be necessary to accomplish the intent of this vote.

**BACKGROUND**

The GLWA Procurement Policy states that “No later than five (5) years after the Board’s approval of this Policy, GLWA Administration shall conduct a comprehensive review of this Policy, report to the Board on the results of that review, and if necessary, recommend amendments or revisions to the Policy to the Board for its review and approval” (Section 1.5). Since the GLWA Procurement Policy was adopted on October 23, 2015, it has been reviewed and amended on three separate occasions to meet GLWA’s evolving procurement needs.

In addition to the comprehensive review, the GLWA Board of Directors has periodically amended the Procurement Policy to provide for administrative and other updates.

## **JUSTIFICATION**

The Procurement Policy was comprehensively reviewed in 2018. Since then, the Procurement Team has identified and drafted proposed amendments to the Procurement Policy related to administrative items that are intended to clarify, streamline, and create improvements in GLWA's procurement process.

These proposed amendments to the Procurement Policy fall into two categories.

1. Minor changes throughout the Procurement Policy for clarity.
2. Substantive changes in specific areas intended to implement improvements in the GLWA Procurement Process.

These proposed changes were reviewed and approved by the Office of the General Counsel.

A marked-up version of the GLWA Procurement Policy with proposed changes follows this Board Letter. In addition, please see **Attachment 1 - Table of Proposed Procurement Policy Amendments**.

## **FINANCIAL PLAN IMPACT**

None.

## **COMMITTEE REVIEW**

This item was presented to the Audit Committee at its meeting on September 23, 2022. The Audit Committee *[insert action]*.

## **SHARED SERVICES IMPACT**

This item does not impact the shared services agreement between GLWA and DWSD.

### Attachment 1 - Table of Proposed Procurement Policy Amendments

Section No.	Section Title	Policy Change(s)	Rationale
Throughout	Throughout	“Goods and Services” changed to “Goods and/or Services”	Clarification
1.2	Scope	Minor rewording	Eliminating redundancy, clarification
1.6.1	Ethics and Code of Conduct	Minor rewording	Clarification
1.8	Definitions (Contract)	Definition of “Contract” now includes any Purchase Order and Assumed Contract	Clarification
1.8	Definitions (Contract Amendment)	Definition of “Contract Amendment” now includes sub-definitions for Contract Extension, Contract Renewal, Contract Price Increase, and Change Order	Clarification
1.8	Definitions (Cooperative Procurement)	Definition now specifies Cooperative Procurement as a “publicly solicited” purchasing program	Clarification
1.8 ff	Definitions (Initial Term)	Minor rewording	Clarification
2.1	Contracting Authority	Reference to Contract Extensions and Change Orders removed (both are included under the definition of “Contract Amendment”); Contract Amendments which reduce total cost and/or time of the Contract shall be exempt from requirement for Board Approval	Eliminating Redundancy; Clarification
2.2	Management of Procurement	“Purchase Order” as acceptable document to initiate work by vendor; insertion of qualifier “approved” before “vendor”	Clarification

<b>Section No.</b>	<b>Section Title</b>	<b>Policy Change(s)</b>	<b>Rationale</b>
3.2	Documentation of Emergency Procurement	“Purchase Order” as acceptable document to authorize beginning of work in emergency procurements	Clarification
4.2	Exceptions to Competitive Bidding	“CPO’s designee” as individual authorized to approve a Specialized or Emergency Procurement	Process Improvement
4.5	Concentration of Risk Evaluation	Strategies for Risk Evaluation added	Clarification
4.6	Economic Equity and Development	Subsection “c” added to provide clarity on establishing and maintaining eligibility for federal funding	Clarification
5.1	Solicitation Development and Advertisement	“Buyer’s role” replaced by “Buyer’s authority”	Clarification
5.4	Professional Services	Insertion of “information technology” as one of the professional services that GLWA procures	Clarification
5.6	Risk Management	“Concentration of Risk Evaluation” moved to new section (Section 4.5); Enterprise Risk Management to work with Procurement prior to contract award to evaluate risk	Process Improvement
8.2	Evaluation Team	“CPO’s designee” as individual authorized to approve the nomination of Evaluators	Process Improvement
9.2	Contract Length and Renewals	Rewording for clarity; section title changed to “Contract Renewals”; removal of CPO requirement for yearly review of all contracts exceeding 3 years for contract compliance	Clarification, Process Improvement and recognizes ongoing contract compliance activity

<b>Section No.</b>	<b>Section Title</b>	<b>Policy Change(s)</b>	<b>Rationale</b>
10	Contract Approvals	Minor rewording	Clarification
10.1	Approval Requirements	Minor rewording and reorganization of “Approval Requirements Table”	Clarification
11.2	Change Orders	Removal of section	Eliminating redundancy and clarification
11.3	Construction Change Directive (CCD)	None, section title changed to “Change Directive”; insertion of “CPO’s designee”	Clarification



## **PROCUREMENT POLICY**

***WORKING Draft***

***September 23, 2022***

***Audit Committee Discussion of Proposed  
Procurement Policy Amendment***

Issued by: Office of the Chief Financial Officer/Treasurer

Amended November 25, 2020  
Amended November 14, 2018  
Amended June 20, 2018  
Adopted October 23, 2015



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## SECTION 1 - INTRODUCTION

### **1.1 Purpose**

This Policy shall be known as the Great Lakes Water Authority (GLWA) Procurement Policy. The purpose of this Policy is to define the parameters for procurement of, and contracting for, Goods and/or Services.

### **1.2 Scope**

This Policy shall govern all GLWA procurement activities and encompass all phases of the procurement process. This Policy is implemented through Procedures. If there are additional procurement requirements for federal or state funded projects or initiatives, then those additional provisions shall also apply. This Policy applies to all current Vendors, and Potential Vendors and any Subcontractors. This Policy shall not apply to matters involving the procurement of Goods or Services that are specifically excluded or exempted within this Policy.

**Deleted:** If the Vendor uses Subcontractors, this Policy applies to them as well.

### **1.3 Exclusions**

Exclusions to this Policy include (a) the selection of an independent certified public accounting firm to perform financial audits<sup>1</sup> and (b) the following Board adopted policies: (i) Investment Policy, (ii) Debt Management Policy, (iii) Settlement Policy, (iv) Asset Disposal Policy, and (v) any other Board-adopted policy which states that it is excluded from this Policy.

### **1.4 Responsibility**

The CEO, CFO, and the CPO are responsible for guaranteeing the effective implementation of this Policy. The CEO is responsible for enforcing this Policy by taking all necessary measures to guarantee its purpose is accomplished. The CPO is responsible for establishing Procedures in accordance with this Policy and training Representatives on both the Policy and Procedures. The CPO is a role defined by this Policy that is assigned to a Representative by the CEO based upon a recommendation from the CFO.

### **1.5 Review and Revisions**

This Policy may be amended from time-to-time, as is necessary, to meet GLWA's Procurement needs. No later than five (5) years after the Board's approval of this Policy, GLWA administration shall conduct a comprehensive review of this Policy, report to the Board on the results of that review, and if necessary, recommend amendments or revisions to the Policy for the Board's review and approval.

Policy revisions, if any, will be made available to the public. A history of Policy revisions, comprised of Board approved dates and a generalized reason for the same, shall be maintained by the CPO.

<sup>1</sup> See Articles of Incorporation, Article 7(J).



### **1.6 Ethics and Code of Conduct**

At every phase of procurement, this Policy and its Procedures shall insure public trust by establishing, maintaining, and enforcing business practices that promote fair, ethical, and financially sound procurement practices.

#### **1.6.1 Representatives**

Representatives shall be free from real or perceived Conflicts of Interest that could adversely impact their judgment, objectivity, or fiduciary responsibilities to GLWA and the public or otherwise adversely impact GLWA's reputation. All procurements shall be conducted in compliance with the Articles of Incorporation, this Policy and its related Procedures, and other GLWA policies and procedures, and applicable laws.

Representatives shall immediately report their own and others' real or perceived Conflict of Interest to their supervisor, the CPO, and their respective Executive Leadership Team Member.

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Each December, the Board, the Executive Leadership, the CPO, and all procurement personnel shall complete a Conflict of Interest form. The CPO shall maintain the form in the CPO's official records.

#### **1.6.2 Board Members**

For Solicitations or for Solicitations which the Board member has been advised or believes will be solicited within the next sixty (60) days, the Board member is discouraged from having any contact with Potential Vendors related to the Solicitation. In the event contact is made, the Board member shall, as soon as possible, report that contact at the next regularly scheduled Board meeting. In addition, Board members shall not participate in the development of Solicitations and shall not participate as an Evaluator for any Solicitation, except for the selection of an independent certified public accounting firm to conduct annual financial audits.

#### **1.6.3 Vendors**

For a Solicitation or for Solicitations which a current or Potential Vendor has been advised or believes will be solicited within the next sixty (60) days, all Vendor contact relative to that Solicitation shall solely be with the Buyer. Potential Vendors that contact Representatives, other than the Buyer identified in the Solicitation, relative to the Solicitation prior to award could be subject to disciplinary action, that could include the disqualification from the Solicitation, termination of existing Contracts or Assumed Contracts, debarment and/or suspension.

### **1.7 Competency**

The CPO shall ensure that Representatives are competent, as well as know and understand this Policy and its related Procedures to implement procurement activities efficiently, objectively, and accurately.

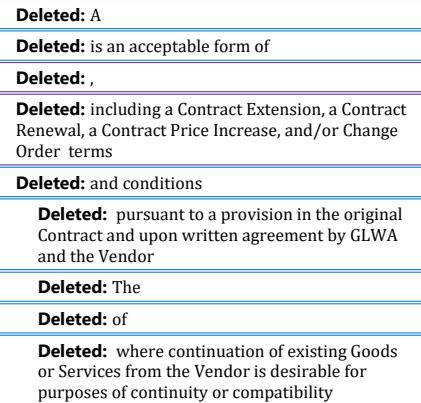


### 1.8 Definitions

- a) Articles of Incorporation – The GLWA Articles of Incorporation.
- b) Assumed Contract – A contract or purchase order with a vendor that was originally executed by the Detroit Water & Sewerage Department and assumed by GLWA on the operational effective date of GLWA on January 1, 2016. Amendments, extensions, and renewals of assumed contracts are subject to the approval levels established by this Policy.
- c) Best Value - A procurement method that emphasizes value over price by assessing the return that can be achieved based on the total life cycle cost of the item. This may include an analysis of the functionality of the item and/or cost-benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.
- d) Blanket Purchase Orders - A blanket purchase order allows for multiple delivery dates over a pre-determined period of time with negotiated standardized pricing. Blanket purchase orders are used where there is a recurring need or for emergency procurements.
- e) Board – the Board of Directors of GLWA and the governing body to which the CEO and the CPO are accountable for establishing, maintaining, and monitoring procurement functions within the parameters of this Policy.
- f) Buyer – Representative authorized by the CPO to purchase, or contract for Goods and Services.
- g) CACO – The Chief Administrative and Compliance Officer of GLWA.
- h) CEO – The Chief Executive Officer of GLWA.
- i) CFO - The Chief Financial Officer/Treasurer of GLWA.
- j) Chief Security and Integrity Officer - The Chief Security and Integrity Officer of GLWA.
- k) Competitive Bids or Bidding – A transparent procurement method by which Potential Vendors are invited to bid in an open solicitation of the scope, specifications, Evaluation Criteria, and terms and conditions of a proposed Contract. Bids are sealed until after the posted due date and time.
- l) Competitive Quotations – A procurement method in which pricing is requested from several Potential Vendors and the most responsive one is chosen. Competitive quotations are generally used for Small Purchases as an Invitation to Quote (ITQ).
- m) Concentration of Risk Evaluation – An evaluation of operational risk when a Vendor provides too great a percentage of a Good or Service that could negatively impact GLWA operations if that Vendor encountered a failure to deliver a Good or Service.
- n) Conflict of Interest – A potential situation that may undermine the impartiality of a person because of the possibility of a divergence between the person's self-interest as well as their professional and public interest.



- o) Contract – A written agreement in which GLWA agrees to acquire Goods or Services from a Vendor in exchange for consideration. These written agreements specify each party's obligations in relation to the transaction. Contracts shall also include any Purchase Order and Assumed Contract.
- p) Contract Amendment – Any modification to the Contract, which includes the following examples.
  - Contract Extension– An action to extend a Contract expiration date,
  - Contract Renewal – An action to exercise a Contract renewal option,
  - Contract Price Increase – An action to increase a Contract price.
  - Change Order – A modification to the scope of work, time, and/or price in a construction, design build, or progressive design build Contract.
- q) Cooperative Procurement – The use of a publicly solicited purchasing program, in which GLWA is extended or extends the same pricing and terms of a contract for the purchase of Goods or Services.
- r) CPO - The Chief Procurement Officer of GLWA.
- s) Economically and Socially Disadvantaged Business Enterprise (DBE) – A business owned, operated, and controlled by African Americans, Hispanics, Native Americans, Asian-Pacific and Asian Subcontinent Asian Americans, women, or disabled individuals. Proof of DBE certification will be accepted from a federal agency, the State of Michigan, or a Michigan local unit of government.
- t) Economically Disadvantaged Territory Area Business Enterprise (EDTABE) – A business which is:
  - i. Located in the GLWA Territory Area; and
  - ii. Located in a municipality designated as having one (1) of the five (5) lowest median household incomes in that respective county as defined by the U.S. Census Bureau every five (5) years.
- u) Economically Feasible - The benefit of a course of action outweighs the cost of that action.
- v) Emergency Procurement – A procurement method available when there exists an imminent threat of public health and welfare or to prevent an imminent violation of a required environmental permit or Administrative Consent Order under emergency conditions where Competitive Bidding and prior authorization would be impossible or impractical under the circumstances.
- w) Enterprise Risk Management – GLWA's operating group within the Administrative & Compliance Services Area.
- x) Evaluation Criteria - Qualitative factors that Evaluators will use to evaluate and score a proposal to select the most-qualified Vendor. The factors may include past performance, references, management and technical capability, price, quality, and performance requirements.
- y) Evaluator - A member of a committee established to conduct the evaluation of





proposals, interviews, and negotiations during the Solicitation process for a Good or Service.

- z) Executive Leadership – The CEO, CFO, CACO, Chief Security and Integrity Officer, General Counsel, Chief Operating Officer - Water and Field Services, Chief Operating Officer- Wastewater, Chief Planning Officer, Chief Organizational Development Officer, Chief Public Affairs Officer, and Chief Information Officer of GLWA.
- cc) General Counsel – The General Counsel of GLWA.
- dd) GLWA – The Great Lakes Water Authority.
- ee) Goods – Any fixtures, items of furniture, supplies, materials, equipment, other personal property, and other items of a similar nature provided to GLWA.
- ff) Initial Term – The original, approved length of the Contract excluding Contract Renewals and/or Contract Extensions.
- gg) Intergovernmental Agreement – An agreement between GLWA and another governmental entity or entities.
- hh) Job Order Contract - A Contract for a specified time period for Goods or Services based the subsequent issuance of defined, written orders based upon previously bid or negotiated fees and unit prices.
- ii) Letter of Intent - An instrument used to commence work on a project that is emergent in nature, or Contract negotiations continual or where the Contract has not been fully executed. The CPO shall authorize Letters of Intent.
- jj) Liquidated Damages - A specific amount of compensation that GLWA may recover in the event the Vendor fails to complete the project in accordance with the Contract terms.
- kk) Minority Business Enterprise (MBE) – A business that is at least 51% minority-owned operated and controlled. Proof of MBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.
- ll) Notice of Intent to Award – Notification by GLWA to a Vendor of its intended contract award. The Contract still must be formally approved.
- mm) Notice to Proceed – Issued by the CPO indicating an approved Contract has been executed and work may begin.
- nn) Policy – This document setting forth the terms and conditions of the Board approved procurement policy.
- oo) Pre-Qualification - The screening of Potential Vendors in which such factors as financial capability, reputation, and management are considered to develop a list of qualified businesses who may then be allowed to submit bids and/or proposals.
- pp) Procedures - The document that sets forth the procedures by which the objectives of this Policy shall be carried out.
- qq) Professional Services – Services rendered by members of a recognized profession or possessing a special skill or professional license. Such services are generally acquired to obtain information, advice, training, or direct assistance.
  - i. Architect or Engineer (A/E) Professional Services - Services that require performance by a registered architect or engineer. Professional services of an architectural or engineering nature that are associated with research, planning, development, and design for construction, alteration, or repair.
- rr) Purchase Order (PO) - A short form of Contract indicating types, quantities,

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payment terms and prices for Goods or Services.

- ss) Qualifications-Based Selection (QBS) – An evaluation method that facilitates the selection of A/E Professional Services based on qualifications and competence in relation to the scope and needs of a particular project.
- tt) Real Estate – Land, buildings, and appurtenances that is permanently affixed to the land. Fixtures include buildings, fences, and anything attached to buildings such as plumbing, heating, and light fixtures.
- uu) Representatives – Authorized individuals acting on behalf of GLWA including, but not limited to: GLWA Board of Directors, management, employees, authorized contractors, agents and Evaluators.
- vv) Request for Bid (RFB) – The Solicitation document used for Competitive Bidding the purchase of Goods and Services, awarding the Contract to the Vendor on a Low Bid evaluation method.
- ww) Request for Information (RFI) - A non-binding method whereby a jurisdiction publishes via newspaper, Internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback, or reactions from potential responders (suppliers, contractors) prior to the issuing of a solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.
- xx) Request for Proposal (RFP) – The Solicitation document used in the competitive proposal process in which the proposals are evaluated based on their technical standards and other criteria. Negotiations with Potential Vendors, prior to final selection and award of a contract, is permissible.
- yy) Request for Qualifications (RFQ) – The Solicitation document used to obtain qualifications from Potential Vendors in advance of the issuance of an RFB or an RFP.
- zz) Requestor – The GLWA area, group, team, or stakeholder group for whom the Buyer collaborates with in procuring requested goods or services for use in carrying out the Requestor's functional responsibilities.
- aaa) Scope of Work – Initiated by the Requestor and is a written description of the entity's needs and desired outcomes for the procurement and becomes the basis for any resulting solicitation.
- bbb) Services – The performance of tasks to support GLWA. The performance of tasks shall be qualitatively different from anything necessarily done in connection with the sale of Goods or the performance of another service. Services include Professional Services, utilities, insurance, printing, information technology, janitorial, fleet management, construction, maintenance, real estate, legal, staffing services and any other services needed by GLWA.
- ccc) Small Business Enterprise (SBE) – A business that meets the size standards as defined by the U.S. Small Business Administration. Proof of SBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.
- ddd) Small Purchase - A procurement that does not exceed \$50,000 and may be accomplished through informal quotations, benchmarking, or Specialized Procurement. Procurement requirements shall not be artificially divided to



constitute a Small Purchase. ITQ and telephone calls, which are documented, are acceptable methods of soliciting quotations.

- eee) **Solicitation** - A RFB, RFI, RFP, RFQ and competitive quotation requests for Small Purchases or any document used by the Buyer to obtain competitive bids or proposals for the purpose of entering a Contract.
- fff) **Specialized Procurement** - A procurement in which there may be multiple sources of supply, but one Vendor possesses the unique ability or capability to meet the requirements of the Solicitation and/or where a unique expertise is provided by a Vendor that is unattainable in the market in a competitive environment. Specialized Procurements require written justification by the Requestor and must be approved by the CEO, CEO's designee, or the CPO and must take into consideration Best Value. This decision to designate a procurement as a Specialized Procurement may be based on lack of competition, monopoly market, proprietary product or technology, licensing, copyright, standardization, warranty, or a supplier's unique capability.
- ggg) **Subcontractor** - A person or business which has a contract with a Vendor to provide some portion of the Goods or Services and which does not hold a suspended or debarred status.
- hhh) **Territory Area** - The municipalities where GLWA provides water supply and sewage disposal services.
- iii) **Women Business Enterprise (WBE)** - A business that is at least 51% woman-owned operated and controlled. Proof of WBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.
- jjj) **Vendor** - A contractor, supplier, affiliate, subsidiary, parent company or other business entity that provides Goods or Services.
  - i. **Potential Vendor** - A person or entity that submits a response to a Solicitation.
  - ii. **Qualified Vendor** - A Vendor that a) meets, or exceeds, the specifications prescribed in the Solicitation, b) has not defaulted on a previous Contract or Assumed Contract, c) has not been suspended or disbarred as defined in Section 12, and d) is not excluded pursuant to GLWA By-Laws, Article XIII - Conflicts of Interest, Section 2, which "prohibits the GLWA from entering into contracts with any individual who has been convicted of a criminal offense with respect to governmental contracting or any other crime that negatively reflects on the person's business integrity."
  - iii. **Responsible Vendor** - A status achieved when a Potential Vendor meets every minimum qualification, or other requirement, in the applicable Solicitation and does not hold a status of suspended or debarred.
  - iv. **Responsive Vendor** - A status achieved when a Potential Vendor timely submits bid, proposal or response conforms to all material requirements of the Solicitation.
- kkk) **Vendor Debarment** - See Section 13.1.2
- lll) **Vendor Suspension** - See Section 13.1.1



## SECTION 2 - AUTHORITY

### **2.1 Contracting Authority**

Prior to the execution, the Board shall approve the award of all Contracts or Contract Amendments where: (a) the Contract price exceeds \$1,000,000, or (b) the term exceeds five (5) years. The Contract shall not be purposefully divided to avoid Board approval. A Contract Amendment which reduces the total cost and/or time of the Contract shall be exempt from this requirement.

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¶ Contract approvals by the Board contemplate all Contract Extensions. OPOC, which is C price,

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The Board shall approve any Contract Price Increase or Change Order which exceeds 5% of the last Board approved Contract price. ¶

### **2.2 Management of Procurement**

The CPO shall manage the procurement of Goods and/or Services. Except for Emergency Procurements, oral agreements are expressly prohibited and unenforceable against GLWA. Except for Emergency Procurements, GLWA only becomes financially and legally responsible when the Contract is fully executed. Work shall not begin until a Notice to Proceed and/or a Purchase Order is provided to the approved Qualified Vendor.

### **2.3 Delegation of Authority**

The CEO delegates his/her authority to the CPO to manage the procurement of Goods and/or Services. The CEO's delegation of authority to the CPO can be revoked at any time. The CEO shall advise the Board of the revocation as a written communication.

## SECTION 3 - EMERGENCY PROCUREMENTS

### **3.1 Waiver of Competitive Procurement**

GLWA shall not be required to use competitive procurement for an Emergency Procurement. However, in the event of an Emergency Procurement, competitive procedures, as practicable, should be used to procure the Goods and/or Services.

### **3.2 Documentation of Emergency Procurement**

- a. In the event of an emergency requiring use of an Emergency Procurement, the Buyer authorizing an Emergency Procurement shall, as soon as possible but no later than 24 hours following that authorization, provide written notice to the CPO and CEO of the basis for the determination to utilize an Emergency Procurement.
- b. If a Vendor is supplying Goods and/or Services pursuant to an Emergency Procurement, the Vendor shall as quickly as possible be given an authorized Letter of Intent or Purchase Order from the CPO stating the Emergency Procurement and that a Contract will be issued as soon as circumstances allow. GLWA is not financially, or otherwise responsible, for Goods and/or Services, unless authorized by the CPO.
- c. Blanket Purchase Orders may be used for Emergency Procurements.

### **3.3 Report to Board**

The CEO or the CEO's designee shall generate a report to include details surrounding the emergency procurement and budgetary impact for submittal to the Board at or before the next regularly scheduled Board Meeting.



## SECTION 4 – COMPETITIVE BIDDING

### **4.1 Procurement of Goods and/or Services**

Procurement shall be performed using financially responsible methods, ethics, fair and best business practices to promote competitiveness and provide the public with outstanding services and products, and which efficiently and effectively meet the needs of GLWA.

Unless an exception applies, all procurements shall use competitive transparent procurement methods to secure the best value for GLWA. Exceptions to Competitive Bidding shall follow all other provisions to this Policy.

### **4.2 Exceptions to Competitive Bidding**

Exceptions to Competitive Bidding include: (a) Specialized Procurements, (b) Emergency Procurements, and (c) Intergovernmental Agreements and Cooperative Procurements.

Specialized Procurements and Emergency Procurements require the written approval of the CEO, the CEO's designee, the CPO or the CPO's designee. Information technology and legal Services are considered Specialized Procurements.

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### **4.3 Funding Sources**

Prior to the initiation of the procurement, the funding source must be established within an approved budget and approved by the CFO or the CFO's designee. Funding sources may include Operation & Maintenance funds, bond proceeds, federal, and/or state funding. Funding sources which have their own stated laws, regulations, and/or terms must be followed throughout the procurement process.

### **4.4 Pre-Qualification of Vendors**

Pre-qualification of Vendors permits a shortened period of a Vendor's response for Services where a limited response to the underlying scope of work and cost are provided by the Potential Vendor. A Job Order Contract is the type of contract that may be used after prequalifying vendors.

### **4.5 Concentration of Risk Evaluation**

A Concentration of Risk Evaluation and strategies to mitigate any risk must be considered prior to issuance of a Contract Award. Strategies may include additional goods and/or services specific due-diligence, split awards, and geographic concentration.

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### **4.6 Business Inclusion and Diversity Plan**

GLWA is committed to providing business opportunities to vendors who honor the values of inclusion and diversity in selecting their business partners. To foster these values, the solicitation selection will require vendors to submit, for all solicitations budgeted at \$1 million or more, a Business Inclusion & Diversity Plan that addresses their efforts to include Minority-owned Business Enterprise (MBE), Woman-owned Business Enterprise (WBE), Small Business Enterprise (SBE), and Socially and Economically Disadvantaged Business Enterprise (DBE) subcontractors.



- a. In support of this commitment, the vendor agrees to ensure that, with regard to any contract entered into pursuant to this procurement policy, inclusion and diversity business enterprises will be afforded full opportunity and will not be discriminated against on the basis of race, color, gender, age, disability, religion, ancestry, marital status, sexual orientation, national origin or place of birth. In recognition of this, the vendor will take steps to ensure maximum participation by qualified diversity businesses in a manner and to the degree that it equals or exceeds standards for its other customers and/or clients.
- b. The vendor shall provide methods to maximize opportunity for diversity participation and reporting methods that indicate firms invited, firms recommended for award and other pertinent information.

#### **4.7 Economic Equity and Development**

As a regional water authority, GLWA is committed to providing economic development opportunities to the state of Michigan and Territory Area and in both services provided and as a partner to the business community.

- a. To foster economic development, for all solicitations, solicitation scoring scales will include the following for a business presence:
  - i. State of Michigan 1%
  - ii. Territory Area 1%, with a cumulative total of 2% for Territory Area and state business presence
  - iii. Disadvantaged GLWA Territory business enterprise 1%, with a cumulative total of 3% for Territory Area, state, and disadvantaged business presence within Territory area.
- b. State business presence is defined as those businesses that would be eligible as a Certified Michigan Based Business as defined by the State of Michigan law as administered by the Department of Technology, Management, & Budget.
- c. This section does not prohibit action that must be taken to establish or maintain eligibility for any federal program, if ineligibility would result in a loss of federal funds to the state.

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#### **4.8 Intergovernmental Agreements and Cooperative Procurements**

The CEO or the CEO's designee may enter into intergovernmental agreements with other local units of government to achieve regional infrastructure objectives increase efficiency, reduce administrative expenses, and to leverage economies of scale.

The CEO or the CPO may select Vendors available through the use of Cooperative Procurements.

All procurements via intergovernmental agreements or Cooperative Procurements are subject to the same approval requirements as other procurements.

GLWA may sponsor, conduct, or administer a Cooperative Procurement program.

### **SECTION 5 – SOLICITATION DEVELOPMENT**

#### **5.1 Solicitation Development and Advertisement**

GLWA Procurement Policy rev.  
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Solicitations shall be developed in a manner that allows and promotes open competition.

The Buyer's authority is to facilitate, inform, control, and manage the solicitation process. The Requestor's role is to interact only with the Buyer to provide the Solicitation's content to ensure that operational objectives, criteria for success, and operational considerations are clearly conveyed to the Vendor community by the Buyer. The Solicitation issued by the Buyer must provide sufficient information for Potential Vendors to provide cost-effective responses for a preferred outcome.

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### **5.2 Methods of Solicitation**

Unless there is an exclusion or exception applies, GLWA shall procure all Goods and/or Services using the Solicitations as outlined in this Policy.

### **5.3 Vendor Involvement in Preparing the Solicitation**

Vendors engaged or contracted to prepare the Solicitation, including the scope of work, shall be precluded from bidding on the Solicitation as a Vendor or as a Subcontractor.

### **5.4 Professional Services**

A/E Professional Services shall be in accordance with a competitive QBS method of procurement. Further, all other Professional Services, including legal, accounting, information technology and actuarial services, shall be in accordance with a Best Value method of procurement.

### **5.5 Capital Program Methods and Alternatives**

The capital investment intensive nature of GLWA's operations necessitates the procurement process to provide for contracting methods and alternatives that should be identified in the Solicitation to foster innovation and best practices in the delivery of the capital program.

#### **5.5.1 Traditional Project Delivery Methods**

Traditional contracting methods may include design-bid-build or design build.

#### **5.5.2 Alternative Technical Proposals (ATP)**

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors are encouraged (where specified in the solicitation) to provide an alternative proposal(s) that may better meet the needs of GLWA. The alternative proposal may include evolving technology not contemplated in the Solicitation, but still meets the overall scope of the project.

#### **5.5.3 Value Engineering (VE)**

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors may also submit an alternative proposal that provides a more economical, efficient, and/or effective approach to the scope of work specified in the solicitation. Any cost savings should be clearly identified.

#### **5.5.4 Alternative Project Delivery Methods (APDM)**

Non-traditional contracting methods (Alternative Project Delivery Methods) provide



for the Potential Vendor to participate in or advise on the design or may be entirely responsible for the design. The Potential Vendor's selection is based on qualifications or best value and may include construction management or an alliance between two or more entities to deliver the project.

### **5.6 Risk Management**

GLWA shall mitigate risks such as limitations of liability, retainage, indemnities, warranties, terms of payment, termination, and bonding requirements through the Contract terms and conditions. ~~A Concentration of Risk Evaluation and strategies to mitigate any risk must be considered prior to issuance of a Contract Award.~~ Deviations to risk responsibility will not be accepted without specific approval by the General Counsel in appropriate consultation with Enterprise Risk Management ~~and Procurement~~, prior to Contract award.

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### **5.7 Insurance**

Contract insurance requirements will be detailed in each Solicitation. To be considered a Responsible Vendor, the Potential Vendor shall possess and maintain the required insurances which meets or exceeds the Contract's terms and conditions for each insurance policy during the term of the contract at its sole expense. In some instances, a Vendor must also maintain specified insurance policies after the conclusion of a Contract for the duration specified in the Contract. GLWA shall be named insured on such policies.

Deviations to the insurance requirement will not be accepted without specific approval from Enterprise Risk Management, in writing, prior to Contract award.

### **5.8 Bonds**

Bonds may be required to protect GLWA from Potential Vendors withdrawing their bids prior to the end of their bid validity period, refusing to sign the contract; failure to perform; failing to pay Subcontractors; or providing faulty workmanship/materials. The type of bond required (bid, warranty, performance or payment) is based upon a recommendation from the Enterprise Risk Management and will be indicated in the Solicitation.

## **SECTION 6 – PUBLIC SOLICITATION**

### **6.1 Advertisement**

Solicitations shall be advertised electronically, and/or using other media as determined by GLWA that promotes vendor participation and fair competition.

### **6.2 Right to Amend, Withdraw or Cancel**

GLWA reserves the right to amend, withdraw or cancel a Solicitation, without any financial or legal obligation to a Potential Vendor, prior to Contract or reject any or all bids if it is determined that such action is in the best interests of GLWA.

GLWA may allow a Vendor to withdraw a bid/submittal if requested at any time prior to the Solicitation opening.



## SECTION 7 – VENDOR RESPONSE

### **7.1 Response to Solicitation**

To participate in the Solicitation process, Potential Vendors shall submit a response to the Solicitation in the method, format, and time frame specified. The response shall be signed by an individual that has the authority to bind the Potential Vendor to a Contract.

### **7.2 Responses Submitted After Due Date and Time**

Potential Vendor's responses submitted after the due date and time shall be immediately rejected. The rejected response will not be opened, considered for award of contract, or evaluated.

## SECTION 8 – VENDOR SELECTION

GLWA shall assess Solicitation responses to determine, in its sole discretion, the most Responsive and Responsible Vendor(s) that will meet or exceed the requirements of the Solicitation while obtaining the most value for GLWA.

### **8.1 Evaluation Methods**

There are three major scoring methods that may be used under this Policy:

- 1) Low Bid – A RFB award based on the lowest, Qualified, Responsive, and Responsible Vendor
- 2) QBS – An award for A/E Professional Services based on demonstrated qualifications, competence through the QBS process. After the Potential Vendor has been selected using the QBS process, the fee proposal will be analyzed for competitiveness and may be negotiated. GLWA shall have the right to exclude a Potential Vendor from consideration if the parties cannot agree to a fair and reasonable price. Deleted: ,
- 3) All Factors – A RFP award based on predetermined evaluation factors and weights. These factors and weights shall be tailored to each procurement and include only those factors that will have an impact on the source selection decision. These factors and weights are identified in the Solicitation.

### **8.2 Evaluation Team**

Prior to issuance of the Solicitation, the Requestor shall nominate Evaluators who will be presented to the CPO or CPO's designee for approval. Where applicable, the Requestor will also be responsible to recruit Evaluators from its member partner community. Evaluators shall be technically proficient in the field that is the subject of the procurement and/or end users of the procurement. To participate in the evaluation of proposals, each nominated Evaluator shall sign an Ethics and Confidentiality agreement for each evaluation team for which they are nominated. Solicitation drafters may be Evaluators.

### **8.3 Protest**

A Potential Vendor, who has submitted a response to a Solicitation and is not awarded a



Contract after participating in the Solicitation, may protest the award of the Contract by filing a written notice of protest with the CPO within seven (7) business days after the Notice of Intent to Award. The written notice of protest shall reference the Solicitation number and the detailed reason for the protest.

- a) Upon receiving a protest, the CPO shall immediately suspend the Contract award process until the protest has been resolved.
- b) The protest shall be reviewed by the CPO in an expeditious manner. The CPO shall determine to either accept or reject the protest within seven (7) business days after the date the protest was received.
- c) If the CPO accepts the protest, he/she shall act accordingly. If the CPO rejects the protest, he/she shall notify the Potential Vendor of the decision and inform the Potential Vendor of their right to appeal to the CACO. The protestor will have three (3) business days from the notification of the protest decision to appeal by email notification.
- d) Upon receiving an appeal of a protest decision made by the CPO, the CACO shall review the appeal and determine to either accept or reject the protest within fourteen (14) business days after the date the appeal was received. If the CACO accepts the protest, he shall notify the protester and the CPO of that decision, and the CPO shall act in accordance with the CACO's findings. If the CACO rejects the protest, they shall notify the protestor of the decision. The CACO's determination shall be final.
- e) Items excluded from Protests and Appeals include:
  - i. Small Purchases;
  - ii. Emergency Procurements;
  - iii. Cooperative Procurements;
  - iv. Specialized Procurements;
  - v. Intergovernmental Agreements;
  - vi. Failure of a Vendor or Potential Vendor to submit response to a Solicitation by the date and time specified;
  - vii. Failure of a Vendor or Potential Vendor to provide documents required to accompany a bid or proposal;
  - viii. Failure of a Vendor or Potential Vendor to have a required bid bond accompany a bid;
  - ix. Failure of a Vendor or Potential Vendor to submit an appeal within the time defined in this Policy;
  - x. Failure of a Vendor or Potential Vendor to meet minimum or mandatory requirements;
  - xi. A Vendor or Potential Vendor who has a performance rating of unacceptable; and
  - xii. A Vendor or Potential Vendor who has a status of debarred or suspended during any stage of the Solicitation through the Contract award or at the time of the bid protest.

#### **SECTION 9 – CONTRACT DEVELOPMENT**



### 9.1 Required Documents

The Vendor shall produce all required documents including, but not limited to, performance bonds, insurance, and licenses. If the Vendor is unwilling or unable to produce required documents in the time frame required by GLWA, GLWA reserves the right to rescind and/or revoke the award without financial or legal obligation to the Vendor.

### 9.2 Contract Renewals

GLWA may, in its sole discretion, exercise Contract renewal options referenced in the Contract or Assumed Contract. Prior to a Contract Renewal, GLWA shall consider the Vendor's performance in complying with the Contract. A Vendor must execute a Contract Amendment before providing Goods and/or Services for any renewal option.

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**Deleted:** Unless the Contract term exceeds five years, GLWA's exercise of a renewal option shall not require Board approval.

**Deleted:** When executing a Contract Renewal on a Contract with previously approved renewal options, the Buyer shall determine the new Contract value to ascertain the Representative who has the authority to encumber the funds, utilizing Table 1, below. ¶

**Deleted:** Contracts in which the initial term is equivalent to, or exceeds three (3) years, shall be reviewed every year by the CPO to ensure Contract compliance. All approved procurements from the preceding fiscal year, shall be made available to the public and posted to the GLWA website. ¶

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### 9.3 Vendor Performance

Contracts may not be executed if a Vendor or Potential Vendor has a history of non-performance with GLWA, another governmental entity, or utility. Communication of Vendor performance will be documented by Requestors with a form provided by the CPO. The CPO will maintain a centralized vendor performance file.

### 9.4 Assumed Contracts

GLWA form of contracts will be executed when Assumed Contracts are eligible for renewal or extension.

## SECTION 10 – CONTRACT APPROVAL

Contract approvals shall comply with Table 1, Approval Requirements, below. In the absence of appropriate approval, no agreement exists between GLWA and any Vendor. Prior to the request for approval, all Contracts shall be evaluated by the Enterprise Risk Management for insurance requirements. In addition, the Contract shall be approved as to form by the General Counsel.

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### 10.1 Approval Requirements

Contracts and any Contract Amendments shall be recognized as "Authorized" when approval requirements have been met in accordance with Table 1. Contracts shall not be divided or fragmented to circumvent the approval requirements in this Policy.

When executing a Contract Amendment, the Buyer shall determine the new Contract value to ascertain the Representative who has the authority to encumber the funds, utilizing Table 1, below.

### 10.2 Unauthorized Purchases

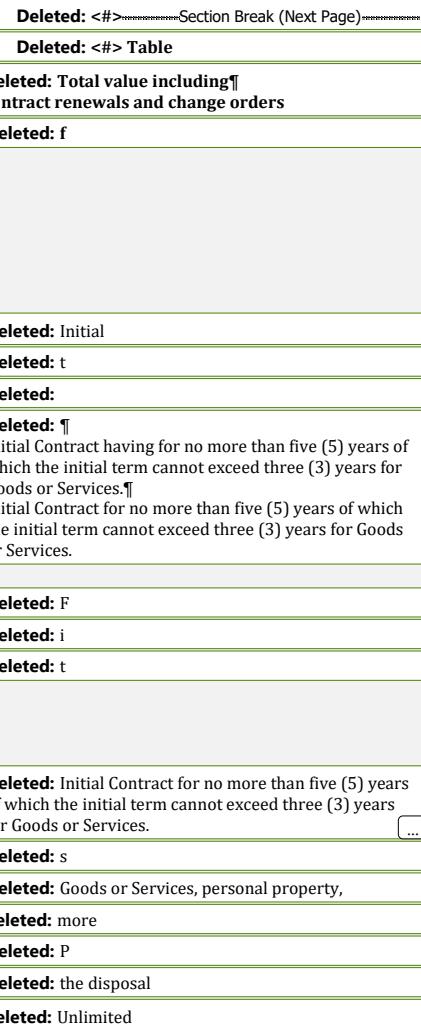
GLWA shall not be liable financially or otherwise responsible for any unauthorized procurements.



**Table 1. Approval Requirements**

Description	Value at Time of: (i) Initial Term or (ii) Contract Amendment <sup>1</sup>	Representative with Authority to Encumber Funds
<u>Contracts</u> for no more than five (5) years of which the Initial Term cannot exceed three (3) years for Goods <u>and/or</u> Services.	Less than \$25,000	Procurement Specialist
	Between \$25,000 & \$99,999	Procurement Management Professional
	Between \$100,000 & \$299,999	Procurement Manager
	<u>Between \$300,000 &amp; \$499,999</u>	<u>CPO</u>
	<u>Between \$500,000 &amp; \$999,999</u>	<u>CEO</u>
	<u>\$1,000,000 or Greater</u>	<u>Board</u>
<u>Contracts</u> for no more than five (5) years of which the Initial Term cannot exceed three (3) years for leases of Real Estate or personal property.	Between \$1 & \$499,999	CPO
	<u>Between \$500,000 &amp; \$999,999</u>	<u>CEO</u>
Description	Contract Total Value	Representative with Authority to Encumber Funds
Contracts for <u>and/or</u> leases of Real Estate or personal property.	\$1,000,000 or <u>Greater</u>	Board
<u>Contracts</u> for the <u>purchase or sale</u> of Real Estate.	<u>Any Value</u>	Board

<sup>1</sup> Contract Amendment shall include any Contract Extension, Contract Renewal, Contract Price Increase, and Change Order.





Contracts which exceeds a total <u>Contract</u> term of five (5) years or where the <u>Initial Term</u> exceeds three (3) years.	<u>Any Value</u>	Board	<p><b>Deleted:</b> s</p> <p><b>Deleted:</b> i</p> <p><b>Deleted:</b> t</p> <p><b>Deleted:</b> Unlimited</p> <p><b>Deleted:</b> , including renewal options</p> <p><b>Deleted:</b> Contract renewals¶ For approved Contracts where prior approval included renewal options.</p> <p><b>Deleted:</b> -</p> <p><b>Deleted:</b> Requestor</p> <p><b>Deleted:</b> Unlimited-</p> <p><b>Deleted:</b> Any Value</p> <p><b>Deleted:</b> The Requestor of an Emergency Procurement must generate a report to include details surrounding the Emergency Procurement and submit it to the Board at or before the next Board Meeting.</p> <p><b>Deleted:</b> .</p>
Emergency Procurements.	<u>\$1,000,000 or Greater</u>	CEO or CPO	

(The CEO of an Emergency Procurement must generate a report to include details surrounding the Emergency Procurement and submit it to the Board at or before the next Board Meeting.)



## SECTION 11 – CONTRACT ADMINISTRATION

### **11.1 Contract Administration**

The CPO shall supervise, administer, and oversee every GLWA approved Contract. The CPO is authorized to adopt systems, procedures, standards, performance evaluation tools, and reporting of Vendors.

Each procurement may be monitored to assure execution of the Contract within the approved budget and scope within the terms of the procurement, the Articles of Incorporation, as well as federal and state procurement law.

### **11.2 Change Directive (CD)**

A CD is a written order generated by the project manager directing a change in the project and stating a proposed basis for adjustment to an approved Contract allowance. All CDs must be approved by the CPO or the CPO's designee prior to the start of work.

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**Term Change Orders (Only Extending Time)** ¶  
Change orders or amendments that extend the term of a Contract require re-authorization. Change orders that shorten the term of a Contract do not require re-authorization.

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**Deleted:** Monetary Change Orders¶

In circumstances where there are increased costs for Goods or Services under a Contract, a change order or Contract amendment shall be issued to the Vendor prior to payment. Unless a Letter of Intent has been issued for an Emergency Procurement, GLWA shall not be responsible for Goods or Services provided outside of an approved change order or Contract amendment. Change orders or Contract amendments that increase the initially approved monetary value of a Contract may require reauthorization as well. Change orders or Contract amendments that reduce the monetary value or reallocates funds within the monetary value of a Contract, including any previously approved change orders and Contract amendments, do not require reauthorization.¶

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### **11.3 Liquidated Damages**

Where Liquidated Damages are specified and/or sought out, they shall only be imposed by the CPO or the CEO.

## SECTION 12 – CONTRACT COMPLIANCE

### **12.1 Contract Compliance**

A Vendor shall supply Goods and/or Services conforming to the specifications and performance requirements of the award. Failure to perform within the specification and performance requirements may result in Contract termination at any time by the CEO or CPO.

### **12.2 Federal Uniform Guidance Procurement Standards**

All projects funded in full, or in part, by federal funds, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Federal Procurement Standards CFR 200.318 – 200.326 or as may be amended). The CPO shall establish procedures to incorporate the required federal provisions for federally funded projects, regardless of the amount of funding.

## SECTION 13 – VENDOR SUSPENSION/DEBARMENT

### **13.1 Imposing Suspension/Debarment**

GLWA shall solicit responses from, award Contracts to, and consent to the use of Subcontractor who are Responsible Vendors and comply with this Policy. GLWA may suspend or debar Vendors<sup>2</sup>, at GLWA's discretion, for purposes related to: the good of the public interest; maintaining the integrity of the bidding, contracting and procurement

<sup>2</sup> For purposes of this section, a Vendor includes (1) the business or individual providing the Good or Service, (2) the business' executive leadership and (3) the business' employees and Subcontractors that interact with Representatives.



processes; and protecting public trust and confidence in GLWA's operations. Suspensions and debarments will not be arbitrarily imposed. GLWA may suspend or debar a Vendor based on a finding that the Vendor is not a Responsible Vendor and shall report said finding to the Legal Committee in writing. The CEO and the CPO have the authority to suspend or debar a Vendor, with suspension being the first step to debarment. Causes which may result in a finding that a Vendor is not a Responsible Vendor include:

- a) An indictment or conviction of the Vendor under any federal, state or local law for any offense indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- b) An indictment or conviction of the Vendor under any federal, state or local law for any serious criminal offense that affects the Vendor's responsibility as a Vendor;
- c) Judgment of civil liability entered against the Vendor in any federal, state or local proceeding based upon facts indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- d) Results or preliminary findings of an investigation of the Vendor initiated by the GLWA, federal, state or local law enforcement department, municipality or agency involving allegations of a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering, fraudulent conduct or any other serious misconduct;
- e) Results or a preliminary finding of an investigation of the Vendor using of an unauthorized Subcontractor;
- f) A preliminary finding of an investigation that the Vendor engaged in theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct in connection with a Contract or Assumed Contract;
- g) A preliminary finding of an investigation that the Vendor submitted, made or caused to be made a false, deceptive or fraudulent material statement in connection with a bid, certification, proposal, application, change order, charge, invoice, cost estimate, or payment request related to a Contract or Assumed Contract;
- h) Refusal by the Vendor to reasonably cooperate with the GLWA in connection with an investigation related to a Contract or Assumed Contract;
- i) Failure by the Vendor to report to the Buyer any activity by elected officials, employees, or persons acting on their behalf related to a Contract or Assumed Contract that the Vendor reasonably suspects to be improper, unethical or illegal;
- j) Demonstrated discrimination on the basis, including but not limited to race, religion, sexual orientation, marital status, gender, national origin or military status by the Vendor.
- k) Unlawful restraint or limitation on competition by the Vendor;
- l) Violation of a material term by the Vendor of a Contract or Assumed Contract;
- m) History of documented unsatisfactory performance by the Vendor;
- n) Violation of any local, state, or federal statute by the Vendor;
- o) Violation of any applicable ethics standards, including the ethical standards set forth



in the profession for which a Vendor is licensed and/or certified b; and

p) Any other conduct or activity by the Vendor that has a harmful impact upon the integrity of procurement process or public trust and confidence in the GLWA operations.

#### **13.1.1 Vendor Suspension**

Vendors are immediately prohibited from participating in any GLWA procurement activity pending completion of an investigation initiated by the CPO.

If it is determined that there was a violation, a suspension shall be imposed for no less than thirty (30) days and ~~no, more than twelve (12) months from the date of said determination.~~

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#### **13.1.2 Vendor Debarment**

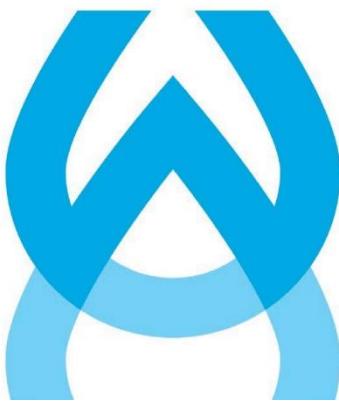
A Vendor that has been convicted of a criminal offense incident to the application for or performance of a contract or subcontract with GLWA or a local government, state or federal governmental entity or with a Vendor who has been held liable in a civil proceeding or has been convicted of a criminal offense that negatively reflects on the Vendor's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes, or similar laws shall be precluded from entering into a procurement with GLWA for all time.

For any other reason, not listed in the preceding paragraph, the debarment period shall be for no less than one (1) year and no more than five (5) years. During this time, a Vendor is not eligible to participate in any GLWA procurement activity.

#### **13.1.3 Suspension or Debarment Protest**

A Vendor who has been suspended or debarred may file a written notice of protest with the CPO within seven (7) business days after the date of the suspension or debarment. The written notice of protest shall reference the notice and the basis for the protest.

The protest shall be reviewed by a third-party hearing officer selected by the CEO in an expeditious manner. The decision of the third-party hearing officer shall be final.



## **PROCUREMENT POLICY**

***CLEAN Draft***

***September 23, 2022***

***Audit Committee Discussion of Proposed  
Procurement Policy Amendment***



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## **SECTION 1 - INTRODUCTION**

### **1.1 Purpose**

This Policy shall be known as the Great Lakes Water Authority (GLWA) Procurement Policy. The purpose of this Policy is to define the parameters for procurement of, and contracting for, Goods and/or Services.

### **1.2 Scope**

This Policy shall govern all GLWA procurement activities and encompass all phases of the procurement process. This Policy is implemented through Procedures. If there are additional procurement requirements for federal or state funded projects or initiatives, then those additional provisions shall also apply. This Policy applies to all current Vendors, and Potential Vendors and any Subcontractors. This Policy shall not apply to matters involving the procurement of Goods or Services that are specifically excluded or exempted within this Policy.

### **1.3 Exclusions**

Exclusions to this Policy include (a) the selection of an independent certified public accounting firm to perform financial audits<sup>1</sup> and (b) the following Board adopted policies: (i) Investment Policy, (ii) Debt Management Policy, (iii) Settlement Policy, (iv) Asset Disposal Policy, and (v) any other Board-adopted policy which states that it is excluded from this Policy.

### **1.4 Responsibility**

The CEO, CFO, and the CPO are responsible for guaranteeing the effective implementation of this Policy. The CEO is responsible for enforcing this Policy by taking all necessary measures to guarantee its purpose is accomplished. The CPO is responsible for establishing Procedures in accordance with this Policy and training Representatives on both the Policy and Procedures. The CPO is a role defined by this Policy that is assigned to a Representative by the CEO based upon a recommendation from the CFO.

### **1.5 Review and Revisions**

This Policy may be amended from time-to-time, as is necessary, to meet GLWA's Procurement needs. No later than five (5) years after the Board's approval of this Policy, GLWA administration shall conduct a comprehensive review of this Policy, report to the Board on the results of that review, and if necessary, recommend amendments or revisions to the Policy for the Board's review and approval.

Policy revisions, if any, will be made available to the public. A history of Policy revisions, comprised of Board approved dates and a generalized reason for the same, shall be maintained by the CPO.

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<sup>1</sup> See Articles of Incorporation, Article 7(J).



## 1.6 Ethics and Code of Conduct

At every phase of procurement, this Policy and its Procedures shall insure public trust by establishing, maintaining, and enforcing business practices that promote fair, ethical, and financially sound procurement practices.

### 1.6.1 Representatives

Representatives shall be free from real or perceived Conflicts of Interest that could adversely impact their judgment, objectivity, or fiduciary responsibilities to GLWA and the public or otherwise adversely impact GLWA's reputation. All procurements shall be conducted in compliance with the Articles of Incorporation, this Policy and its related Procedures, and other GLWA policies and procedures, and applicable laws.

Representatives shall immediately report their own and others' real or perceived Conflict of Interest to their supervisor, the CPO and their respective Executive Leadership Team Member.

Each December, the Board, the Executive Leadership, the CPO, and all procurement personnel shall complete a Conflict of Interest form. The CPO shall maintain the form in the CPO's official records.

### 1.6.2 Board Members

For Solicitations or for Solicitations which the Board member has been advised or believes will be solicited within the next sixty (60) days, the Board member is discouraged from having any contact with Potential Vendors related to the Solicitation. In the event contact is made, the Board member shall, as soon as possible, report that contact at the next regularly scheduled Board meeting. In addition, Board members shall not participate in the development of Solicitations and shall not participate as an Evaluator for any Solicitation, except for the selection of an independent certified public accounting firm to conduct annual financial audits.

### 1.6.3 Vendors

For a Solicitation or for Solicitations which a current or Potential Vendor has been advised or believes will be solicited within the next sixty (60) days, all Vendor contact relative to that Solicitation shall solely be with the Buyer. Potential Vendors that contact Representatives, other than the Buyer identified in the Solicitation, relative to the Solicitation prior to award could be subject to disciplinary action, that could include the disqualification from the Solicitation, termination of existing Contracts or Assumed Contracts, debarment and/or suspension.

## 1.7 Competency

The CPO shall ensure that Representatives are competent, as well as know and understand this Policy and its related Procedures to implement procurement activities efficiently, objectively, and accurately.



## 1.8 Definitions

- a) Articles of Incorporation – The GLWA Articles of Incorporation.
- b) Assumed Contract – A contract or purchase order with a vendor that was originally executed by the Detroit Water & Sewerage Department and assumed by GLWA on the operational effective date of GLWA on January 1, 2016. Amendments, extensions, and renewals of assumed contracts are subject to the approval levels established by this Policy.
- c) Best Value - A procurement method that emphasizes value over price by assessing the return that can be achieved based on the total life cycle cost of the item. This may include an analysis of the functionality of the item and/or cost-benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.
- d) Blanket Purchase Orders - A blanket purchase order allows for multiple delivery dates over a pre-determined period of time with negotiated standardized pricing. Blanket purchase orders are used where there is a recurring need or for emergency procurements.
- e) Board – the Board of Directors of GLWA and the governing body to which the CEO and the CPO are accountable for establishing, maintaining, and monitoring procurement functions within the parameters of this Policy.
- f) Buyer – Representative authorized by the CPO to purchase, or contract for Goods and Services.
- g) CACO – The Chief Administrative and Compliance Officer of GLWA.
- h) CEO – The Chief Executive Officer of GLWA.
- i) CFO - The Chief Financial Officer/Treasurer of GLWA.
- j) Chief Security and Integrity Officer - The Chief Security and Integrity Officer of GLWA.
- k) Competitive Bids or Bidding – A transparent procurement method by which Potential Vendors are invited to bid in an open solicitation of the scope, specifications, Evaluation Criteria, and terms and conditions of a proposed Contract. Bids are sealed until after the posted due date and time.
- l) Competitive Quotations – A procurement method in which pricing is requested from several Potential Vendors and the most responsive one is chosen. Competitive quotations are generally used for Small Purchases as an Invitation to Quote (ITQ).
- m) Concentration of Risk Evaluation – An evaluation of operational risk when a Vendor provides too great a percentage of a Good or Service that could negatively impact GLWA operations if that Vendor encountered a failure to deliver a Good or Service.
- n) Conflict of Interest – A potential situation that may undermine the impartiality of a person because of the possibility of a divergence between the person's self-interest as well as their professional and public interest.



- o) Contract – A written agreement in which GLWA agrees to acquire Goods or Services from a Vendor in exchange for consideration. These written agreements specify each party's obligations in relation to the transaction. Contracts shall also include any Purchase Order and Assumed Contract.
- p) Contract Amendment – Any modification to the Contract which includes the following examples. .
  - Contract Extension – An action to extend a Contract expiration date.
  - Contract Renewal – An action to exercise a Contract renewal option.
  - Contract Price Increase – An action to increase a Contract price.
  - Change Order – A modification to the scope of work, time, and/or price in a construction, design build, or progressive design build Contract.
- q) Cooperative Procurement – The use of a publicly solicited purchasing program, in which GLWA is extended or extends the same pricing and terms of a contract for the purchase of Goods or Services.
- r) CPO - The Chief Procurement Officer of GLWA.
- s) Economically and Socially Disadvantaged Business Enterprise (DBE) – A business owned, operated, and controlled by African Americans, Hispanics, Native Americans, Asian-Pacific and Asian Subcontinent Asian Americans, women, or disabled individuals. Proof of DBE certification will be accepted from a federal agency, the State of Michigan, or a Michigan local unit of government.
- t) Economically Disadvantaged Territory Area Business Enterprise (EDTABE) – A business which is:
  - i. Located in the GLWA Territory Area; and
  - ii. Located in a municipality designated as having one (1) of the five (5) lowest median household incomes in that respective county as defined by the U.S. Census Bureau every five (5) years.
- u) Economically Feasible - The benefit of a course of action outweighs the cost of that action.
- v) Emergency Procurement – A procurement method available when there exists an imminent threat of public health and welfare or to prevent an imminent violation of a required environmental permit or Administrative Consent Order under emergency conditions where Competitive Bidding and prior authorization would be impossible or impractical under the circumstances.
- w) Enterprise Risk Management – GLWA's operating group within the Administrative & Compliance Services Area.
- x) Evaluation Criteria - Qualitative factors that Evaluators will use to evaluate and score a proposal to select the most-qualified Vendor. The factors may include past performance, references, management and technical capability, price, quality, and performance requirements.
- y) Evaluator - A member of a committee established to conduct the evaluation of



proposals, interviews, and negotiations during the Solicitation process for a Good or Service.

- z) Executive Leadership – The CEO, CFO, CACO, Chief Security and Integrity Officer, General Counsel, Chief Operating Officer - Water and Field Services, Chief Operating Officer- Wastewater, Chief Planning Officer, Chief Organizational Development Officer, Chief Public Affairs Officer, and Chief Information Officer of GLWA.
- cc) General Counsel – The General Counsel of GLWA.
- dd) GLWA – The Great Lakes Water Authority.
- ee) Goods – Any fixtures, items of furniture, supplies, materials, equipment, other personal property, and other items of a similar nature provided to GLWA.
- ff) Initial Term – The original, approved length of the Contract excluding Contract Renewals and/or Contract Extensions.
- gg) Intergovernmental Agreement – An agreement between GLWA and another governmental entity or entities.
- hh) Job Order Contract - A Contract for a specified time period for Goods or Services based the subsequent issuance of defined, written orders based upon previously bid or negotiated fees and unit prices.
- ii) Letter of Intent - An instrument used to commence work on a project that is emergent in nature, or Contract negotiations continual or where the Contract has not been fully executed. The CPO shall authorize Letters of Intent.
- jj) Liquidated Damages - A specific amount of compensation that GLWA may recover in the event the Vendor fails to complete the project in accordance with the Contract terms.
- kk) Minority Business Enterprise (MBE) – A business that is at least 51% minority-owned operated and controlled. Proof of MBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.
- ll) Notice of Intent to Award – Notification by GLWA to a Vendor of its intended contract award. The Contract still must be formally approved.
- mm) Notice to Proceed – Issued by the CPO indicating an approved Contract has been executed and work may begin.
- nn) Policy – This document setting forth the terms and conditions of the Board approved procurement policy.
- oo) Pre-Qualification - The screening of Potential Vendors in which such factors as financial capability, reputation, and management are considered to develop a list of qualified businesses who may then be allowed to submit bids and/or proposals.
- pp) Procedures - The document that sets forth the procedures by which the objectives of this Policy shall be carried out.
- qq) Professional Services – Services rendered by members of a recognized profession or possessing a special skill or professional license. Such services are generally acquired to obtain information, advice, training, or direct assistance.
  - i. Architect or Engineer (A/E) Professional Services - Services that require performance by a registered architect or engineer. Professional services of an architectural or engineering nature that are associated with research, planning, development, and design for construction, alteration, or repair.
- rr) Purchase Order (PO) - A short form of Contract indicating types, quantities,



- ss) payment terms and prices for Goods or Services.
- ss) Qualifications-Based Selection (QBS) – An evaluation method that facilitates the selection of A/E Professional Services based on qualifications and competence in relation to the scope and needs of a particular project.
- tt) Real Estate – Land, buildings, and appurtenances that is permanently affixed to the land. Fixtures include buildings, fences, and anything attached to buildings such as plumbing, heating, and light fixtures.
- uu) Representatives – Authorized individuals acting on behalf of GLWA including, but not limited to: GLWA Board of Directors, management, employees, authorized contractors, agents and Evaluators.
- vv) Request for Bid (RFB) – The Solicitation document used for Competitive Bidding the purchase of Goods and Services, awarding the Contract to the Vendor on a Low Bid evaluation method.
- ww) Request for Information (RFI) - A non-binding method whereby a jurisdiction publishes via newspaper, Internet, or direct mail its need for input from interested parties for an upcoming solicitation. A procurement practice used to obtain comments, feedback, or reactions from potential responders (suppliers, contractors) prior to the issuing of a solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.
- xx) Request for Proposal (RFP) – The Solicitation document used in the competitive proposal process in which the proposals are evaluated based on their technical standards and other criteria. Negotiations with Potential Vendors, prior to final selection and award of a contract, is permissible.
- yy) Request for Qualifications (RFQ) – The Solicitation document used to obtain qualifications from Potential Vendors in advance of the issuance of an RFB or an RFP.
- zz) Requestor – The GLWA area, group, team, or stakeholder group for whom the Buyer collaborates with in procuring requested goods or services for use in carrying out the Requestor's functional responsibilities.
- aaa) Scope of Work – Initiated by the Requestor and is a written description of the entity's needs and desired outcomes for the procurement and becomes the basis for any resulting solicitation.
- bbb) Services – The performance of tasks to support GLWA. The performance of tasks shall be qualitatively different from anything necessarily done in connection with the sale of Goods or the performance of another service. Services include Professional Services, utilities, insurance, printing, information technology, janitorial, fleet management, construction, maintenance, real estate, legal, staffing services and any other services needed by GLWA.
- ccc) Small Business Enterprise (SBE) – A business that meets the size standards as defined by the U.S. Small Business Administration. Proof of SBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.
- ddd) Small Purchase - A procurement that does not exceed \$50,000 and may be accomplished through informal quotations, benchmarking, or Specialized Procurement. Procurement requirements shall not be artificially divided to



constitute a Small Purchase. ITQ and telephone calls, which are documented, are acceptable methods of soliciting quotations.

- eee) **Solicitation** - A RFB, RFI, RFP, RFQ and competitive quotation requests for Small Purchases or any document used by the Buyer to obtain competitive bids or proposals for the purpose of entering a Contract.
- fff) **Specialized Procurement** – A procurement in which there may be multiple sources of supply, but one Vendor possesses the unique ability or capability to meet the requirements of the Solicitation and/or where a unique expertise is provided by a Vendor that is unattainable in the market in a competitive environment. Specialized Procurements require written justification by the Requestor and must be approved by the CEO, CEO's designee, or the CPO and must take into consideration Best Value. This decision to designate a procurement as a Specialized Procurement may be based on lack of competition, monopoly market, proprietary product or technology, licensing, copyright, standardization, warranty, or a supplier's unique capability.
- ggg) **Subcontractor**– A person or business which has a contract with a Vendor to provide some portion of the Goods or Services and which does not hold a suspended or debarred status.
- hhh) **Territory Area** – The municipalities where GLWA provides water supply and sewage disposal services.
- iii) **Women Business Enterprise (WBE)**- A business that is at least 51% woman-owned operated and controlled. Proof of WBE certification will be accepted from a federal agency, the state of Michigan, or a Michigan local unit of government.
- jjj) **Vendor** – A contractor, supplier, affiliate, subsidiary, parent company or other business entity that provides Goods or Services.
  - i. **Potential Vendor** – A person or entity that submits a response to a Solicitation.
  - ii. **Qualified Vendor** – A Vendor that a) meets, or exceeds, the specifications prescribed in the Solicitation, b) has not defaulted on a previous Contract or Assumed Contract, c) has not been suspended or disbarred as defined in Section 12, and d) is not excluded pursuant to GLWA By-Laws, Article XIII – Conflicts of Interest, Section 2, which “prohibits the GLWA from entering into contracts with any individual who has been convicted of a criminal offense with respect to governmental contracting or any other crime that negatively reflects on the person’s business integrity.”
  - iii. **Responsible Vendor** – A status achieved when a Potential Vendor meets every minimum qualification, or other requirement, in the applicable Solicitation and does not hold a status of suspended or debarred.
  - iv. **Responsive Vendor** – A status achieved when a Potential Vendor timely submits bid, proposal or response conforms to all material requirements of the Solicitation.
- kkk) **Vendor Debarment** – See Section 13.1.2
- lll) **Vendor Suspension** – See Section 13.1.1



## SECTION 2 - AUTHORITY

### **2.1 Contracting Authority**

Prior to the execution, the Board shall approve the award of all Contracts or Contract Amendments where: (a) the Contract price exceeds \$1,000,000, or (b) the term exceeds five (5) years. The Contract shall not be purposefully divided to avoid Board approval. A Contract Amendment which reduces the total cost and/or time of the Contract shall be exempt from this requirement.

### **2.2 Management of Procurement**

The CPO shall manage the procurement of Goods and/or Services. Except for Emergency Procurements, oral agreements are expressly prohibited and unenforceable against GLWA. Except for Emergency Procurements, GLWA only becomes financially and legally responsible when the Contract is fully executed. Work shall not begin until a Notice to Proceed and/or a Purchase Order is provided to the approved, Qualified Vendor.

### **2.3 Delegation of Authority**

The CEO delegates his/her authority to the CPO to manage the procurement of Goods and/or Services. The CEO's delegation of authority to the CPO can be revoked at any time. The CEO shall advise the Board of the revocation as a written communication.

## SECTION 3 - EMERGENCY PROCUREMENTS

### **3.1 Waiver of Competitive Procurement**

GLWA shall not be required to use competitive procurement for an Emergency Procurement. However, in the event of an Emergency Procurement, competitive procedures, as practicable, should be used to procure the Goods and/or Services.

### **3.2 Documentation of Emergency Procurement**

- a. In the event of an emergency requiring use of an Emergency Procurement, the Buyer authorizing an Emergency Procurement shall, as soon as possible but no later than 24 hours following that authorization, provide written notice to the CPO and CEO of the basis for the determination to utilize an Emergency Procurement.
- b. If a Vendor is supplying Goods and/or Services pursuant to an Emergency Procurement, the Vendor shall as quickly as possible be given an authorized Letter of Intent or Purchase Order from the CPO stating the Emergency Procurement and that a Contract will be issued as soon as circumstances allow. GLWA is not financially, or otherwise responsible, for Goods and/or Services, unless authorized by the CPO.
- c. Blanket Purchase Orders may be used for Emergency Procurements.

### **3.3 Report to Board**

The CEO or the CEO's designee shall generate a report to include details surrounding the emergency procurement and budgetary impact for submittal to the Board at or before the next regularly scheduled Board Meeting.



## SECTION 4 – COMPETITIVE BIDDING

### **4.1 Procurement of Goods and/or Services**

Procurement shall be performed using financially responsible methods, ethics, fair and best business practices to promote competitiveness and provide the public with outstanding services and products, and which efficiently and effectively meet the needs of GLWA.

Unless an exception applies, all procurements shall use competitive transparent procurement methods to secure the best value for GLWA. Exceptions to Competitive Bidding shall follow all other provisions to this Policy.

### **4.2 Exceptions to Competitive Bidding**

Exceptions to Competitive Bidding include: (a) Specialized Procurements, (b) Emergency Procurements, and (c) Intergovernmental Agreements and Cooperative Procurements.

Specialized Procurements and Emergency Procurements require the written approval of the CEO, the CEO's designee, the CPO or the CPO's designee. Information technology and legal Services are considered Specialized Procurements.

### **4.3 Funding Sources**

Prior to the initiation of the procurement, the funding source must be established within an approved budget and approved by the CFO or the CFO's designee. Funding sources may include Operation & Maintenance funds, bond proceeds, federal, and/or state funding. Funding sources which have their own stated laws, regulations, and/or terms must be followed throughout the procurement process.

### **4.4 Pre-Qualification of Vendors**

Pre-qualification of Vendors permits a shortened period of a Vendor's response for Services where a limited response to the underlying scope of work and cost are provided by the Potential Vendor. A Job Order Contract is the type of contract that may be used after prequalifying vendors.

### **4.5 Concentration of Risk Evaluation**

A Concentration of Risk Evaluation and strategies to mitigate any risk must be considered prior to issuance of a Contract Award. Strategies may include additional goods and/or services specific due-diligence, split awards, and geographic concentration.

### **4.6 Business Inclusion and Diversity Plan**

GLWA is committed to providing business opportunities to vendors who honor the values of inclusion and diversity in selecting their business partners. To foster these values, the solicitation selection will require vendors to submit, for all solicitations budgeted at \$1 million or more, a Business Inclusion & Diversity Plan that addresses their efforts to include Minority-owned Business Enterprise (MBE), Woman-owned Business Enterprise (WBE), Small Business Enterprise (SBE), and Socially and Economically Disadvantaged Business Enterprise (DBE) subcontractors.



- a. In support of this commitment, the vendor agrees to ensure that, with regard to any contract entered into pursuant to this procurement policy, inclusion and diversity business enterprises will be afforded full opportunity and will not be discriminated against on the basis of race, color, gender, age, disability, religion, ancestry, marital status, sexual orientation, national origin or place of birth. In recognition of this, the vendor will take steps to ensure maximum participation by qualified diversity businesses in a manner and to the degree that it equals or exceeds standards for its other customers and/or clients.
- b. The vendor shall provide methods to maximize opportunity for diversity participation and reporting methods that indicate firms invited, firms recommended for award and other pertinent information.

#### **4.7 Economic Equity and Development**

As a regional water authority, GLWA is committed to providing economic development opportunities to the state of Michigan and Territory Area and in both services provided and as a partner to the business community.

- a. To foster economic development, for all solicitations, solicitation scoring scales will include the following for a business presence:
  - i. State of Michigan 1%
  - ii. Territory Area 1%, with a cumulative total of 2% for Territory Area and state business presence
  - iii. Disadvantaged GLWA Territory business enterprise 1%, with a cumulative total of 3% for Territory Area, state, and disadvantaged business presence within Territory area.
- b. State business presence is defined as those businesses that would be eligible as a Certified Michigan Based Business as defined by the State of Michigan law as administered by the Department of Technology, Management, & Budget.
- c. This section does not prohibit action that must be taken to establish or maintain eligibility for any federal program, if ineligibility would result in a loss of federal funds to the state.

#### **4.8 Intergovernmental Agreements and Cooperative Procurements**

The CEO or the CEO's designee may enter into intergovernmental agreements with other local units of government to achieve regional infrastructure objectives increase efficiency, reduce administrative expenses, and to leverage economies of scale.

The CEO or the CPO may select Vendors available through the use of Cooperative Procurements.

All procurements via intergovernmental agreements or Cooperative Procurements are subject to the same approval requirements as other procurements.

GLWA may sponsor, conduct, or administer a Cooperative Procurement program.

### **SECTION 5 – SOLICITATION DEVELOPMENT**

#### **5.1 Solicitation Development and Advertisement**



Solicitations shall be developed in a manner that allows and promotes open competition.

The Buyer's authority is to facilitate, inform, control, and manage the solicitation process. The Requestor's role is to interact only with the Buyer to provide the Solicitation's content to ensure that operational objectives, criteria for success, and operational considerations are clearly conveyed to the Vendor community by the Buyer. The Solicitation issued by the Buyer must provide sufficient information for Potential Vendors to provide cost-effective responses for a preferred outcome.

### **5.2 Methods of Solicitation**

Unless there is an exclusion or exception applies, GLWA shall procure all Goods and/or Services using the Solicitations as outlined in this Policy.

### **5.3 Vendor Involvement in Preparing the Solicitation**

Vendors engaged or contracted to prepare the Solicitation, including the scope of work, shall be precluded from bidding on the Solicitation as a Vendor or as a Subcontractor.

### **5.4 Professional Services**

A/E Professional Services shall be in accordance with a competitive QBS method of procurement. Further, all other Professional Services, including legal, accounting, information technology and actuarial services, shall be in accordance with a Best Value method of procurement.

### **5.5 Capital Program Methods and Alternatives**

The capital investment intensive nature of GLWA's operations necessitates the procurement process to provide for contracting methods and alternatives that should be identified in the Solicitation to foster innovation and best practices in the delivery of the capital program.

#### **5.5.1 Traditional Project Delivery Methods**

Traditional contracting methods may include design-bid-build or design build.

#### **5.5.2 Alternative Technical Proposals (ATP)**

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors are encouraged (where specified in the solicitation) to provide an alternative proposal(s) that may better meet the needs of GLWA. The alternative proposal may include evolving technology not contemplated in the Solicitation, but still meets the overall scope of the project.

#### **5.5.3 Value Engineering (VE)**

In addition to submitting a technical proposal in accordance with the Solicitation to be considered Responsible Vendors, Potential Vendors may also submit an alternative proposal that provides a more economical, efficient, and/or effective approach to the scope of work specified in the solicitation. Any cost savings should be clearly identified.

#### **5.5.4 Alternative Project Delivery Methods (APDM)**

Non-traditional contracting methods (Alternative Project Delivery Methods) provide



for the Potential Vendor to participate in or advise on the design or may be entirely responsible for the design. The Potential Vendor's selection is based on qualifications or best value and may include construction management or an alliance between two or more entities to deliver the project.

## **5.6 Risk Management**

GLWA shall mitigate risks such as limitations of liability, retainage, indemnities, warranties, terms of payment, termination, and bonding requirements through the Contract terms and conditions. ~~A Concentration of Risk Evaluation and strategies to mitigate any risk must be considered prior to issuance of a Contract Award.~~ Deviations to risk responsibility will not be accepted without specific approval by the General Counsel in appropriate consultation with Enterprise Risk Management and Procurement, prior to Contract award.

## **5.7 Insurance**

Contract insurance requirements will be detailed in each Solicitation. To be considered a Responsible Vendor, the Potential Vendor shall possess and maintain the required insurances which meets or exceeds the Contract's terms and conditions for each insurance policy during the term of the contract at its sole expense. In some instances, a Vendor must also maintain specified insurance policies after the conclusion of a Contract for the duration specified in the Contract. GLWA shall be named insured on such policies.

Deviations to the insurance requirement will not be accepted without specific approval from Enterprise Risk Management, in writing, prior to Contract award.

## **5.8 Bonds**

Bonds may be required to protect GLWA from Potential Vendors withdrawing their bids prior to the end of their bid validity period, refusing to sign the contract; failure to perform; failing to pay Subcontractors; or providing faulty workmanship/materials. The type of bond required (bid, warranty, performance or payment) is based upon a recommendation from the Enterprise Risk Management and will be indicated in the Solicitation.

# **SECTION 6 – PUBLIC SOLICITATION**

## **6.1 Advertisement**

Solicitations shall be advertised electronically, and/or using other media as determined by GLWA that promotes vendor participation and fair competition.

## **6.2 Right to Amend, Withdraw or Cancel**

GLWA reserves the right to amend, withdraw or cancel a Solicitation, without any financial or legal obligation to a Potential Vendor, prior to Contract or reject any or all bids if it is determined that such action is in the best interests of GLWA.

GLWA may allow a Vendor to withdraw a bid/submittal if requested at any time prior to the Solicitation opening.



## SECTION 7 – VENDOR RESPONSE

### **7.1 Response to Solicitation**

To participate in the Solicitation process, Potential Vendors shall submit a response to the Solicitation in the method, format, and time frame specified. The response shall be signed by an individual that has the authority to bind the Potential Vendor to a Contract.

### **7.2 Responses Submitted After Due Date and Time**

Potential Vendor's responses submitted after the due date and time shall be immediately rejected. The rejected response will not be opened, considered for award of contract, or evaluated.

## SECTION 8 – VENDOR SELECTION

GLWA shall assess Solicitation responses to determine, in its sole discretion, the most Responsive and Responsible Vendor(s) that will meet or exceed the requirements of the Solicitation while obtaining the most value for GLWA.

### **8.1 Evaluation Methods**

There are three major scoring methods that may be used under this Policy:

- 1) Low Bid – A RFB award based on the lowest, Qualified, Responsive, and Responsible Vendor
- 2) QBS – An award for A/E Professional Services based on demonstrated qualifications competence through the QBS process. After the Potential Vendor has been selected using the QBS process, the fee proposal will be analyzed for competitiveness and may be negotiated. GLWA shall have the right to exclude a Potential Vendor from consideration if the parties cannot agree to a fair and reasonable price.
- 3) All Factors – A RFP award based on predetermined evaluation factors and weights. These factors and weights shall be tailored to each procurement and include only those factors that will have an impact on the source selection decision. These factors and weights are identified in the Solicitation.

### **8.2 Evaluation Team**

Prior to issuance of the Solicitation, the Requestor shall nominate Evaluators who will be presented to the CPO or CPO's designee for approval. Where applicable, the Requestor will also be responsible to recruit Evaluators from its member partner community. Evaluators shall be technically proficient in the field that is the subject of the procurement and/or end users of the procurement. To participate in the evaluation of proposals, each nominated Evaluator shall sign an Ethics and Confidentiality agreement for each evaluation team for which they are nominated. Solicitation drafters may be Evaluators.

### **8.3 Protest**

A Potential Vendor, who has submitted a response to a Solicitation and is not awarded a



Contract after participating in the Solicitation, may protest the award of the Contract by filing a written notice of protest with the CPO within seven (7) business days after the Notice of Intent to Award. The written notice of protest shall reference the Solicitation number and the detailed reason for the protest.

- a) Upon receiving a protest, the CPO shall immediately suspend the Contract award process until the protest has been resolved.
- b) The protest shall be reviewed by the CPO in an expeditious manner. The CPO shall determine to either accept or reject the protest within seven (7) business days after the date the protest was received.
- c) If the CPO accepts the protest, he/she shall act accordingly. If the CPO rejects the protest, he/she shall notify the Potential Vendor of the decision and inform the Potential Vendor of their right to appeal to the CACO. The protestor will have three (3) business days from the notification of the protest decision to appeal by email notification.
- d) Upon receiving an appeal of a protest decision made by the CPO, the CACO shall review the appeal and determine to either accept or reject the protest within fourteen (14) business days after the date the appeal was received. If the CACO accepts the protest, he shall notify the protester and the CPO of that decision, and the CPO shall act in accordance with the CACO's findings. If the CACO rejects the protest, they shall notify the protestor of the decision. The CACO's determination shall be final.
- e) Items excluded from Protests and Appeals include:
  - i. Small Purchases;
  - ii. Emergency Procurements;
  - iii. Cooperative Procurements;
  - iv. Specialized Procurements;
  - v. Intergovernmental Agreements;
  - vi. Failure of a Vendor or Potential Vendor to submit response to a Solicitation by the date and time specified;
  - vii. Failure of a Vendor or Potential Vendor to provide documents required to accompany a bid or proposal;
  - viii. Failure of a Vendor or Potential Vendor to have a required bid bond accompany a bid;
  - ix. Failure of a Vendor or Potential Vendor to submit an appeal within the time defined in this Policy;
  - x. Failure of a Vendor or Potential Vendor to meet minimum or mandatory requirements;
  - xi. A Vendor or Potential Vendor who has a performance rating of unacceptable; and
  - xii. A Vendor or Potential Vendor who has a status of debarred or suspended during any stage of the Solicitation through the Contract award or at the time of the bid protest.

## **SECTION 9 – CONTRACT DEVELOPMENT**



## **9.1 Required Documents**

The Vendor shall produce all required documents including, but not limited to, performance bonds, insurance, and licenses. If the Vendor is unwilling or unable to produce required documents in the time frame required by GLWA, GLWA reserves the right to rescind and/or revoke the award without financial or legal obligation to the Vendor.

## **9.2 Contract Renewals**

GLWA may, in its sole discretion, exercise Contract renewal options referenced in the Contract or Assumed Contract. Prior to a Contract Renewal, GLWA shall consider the Vendor's performance in complying with the Contract. A Vendor must execute a Contract Amendment before providing Goods and/or Services for any renewal option.

## **9.3 Vendor Performance**

Contracts may not be executed if a Vendor or Potential Vendor has a history of non-performance with GLWA, another governmental entity, or utility. Communication of Vendor performance will be documented by Requestors with a form provided by the CPO. The CPO will maintain a centralized vendor performance file.

## **9.4 Assumed Contracts**

GLWA form of contracts will be executed when Assumed Contracts are eligible for renewal or extension.

## **SECTION 10 – CONTRACT APPROVAL**

Contract approvals shall comply with Table 1, Approval Requirements, below. In the absence of appropriate approval, no agreement exists between GLWA and any Vendor. Prior to the request for approval, all Contracts shall be evaluated by the Enterprise Risk Management for insurance requirements. In addition, the Contract shall be approved as to form by the General Counsel.

## **10.1 Approval Requirements**

Contracts and any Contract Amendments shall be recognized as "Authorized" when approval requirements have been met in accordance with Table 1. Contracts shall not be divided or fragmented to circumvent the approval requirements in this Policy.

When executing a Contract Amendment, the Buyer shall determine the new Contract value to ascertain the Representative who has the authority to encumber the funds, utilizing Table 1, below.

## **10.2 Unauthorized Purchases**

GLWA shall not be liable financially or otherwise responsible for any unauthorized procurements.

**Table 1. Approval Requirements**

Description	Value at Time of: (i) Initial Term or (ii) Contract Amendment <sup>1</sup>	Representative with Authority to Encumber Funds
Contracts for no more than five (5) years of which the Initial Term cannot exceed three (3) years for Goods and/or Services.	Less than \$25,000	Procurement Specialist
	Between \$25,000 & \$99,999	Procurement Management Professional
	Between \$100,000 & \$299,999	Procurement Manager
	Between \$300,000 & \$499,999	CPO
	Between \$500,000 & \$999,999	CEO
	\$1,000,000 or Greater	Board
Contracts for no more than five (5) years of which the Initial Term cannot exceed three (3) years for leases of Real Estate or personal property.	Between \$1 & \$499,999	CPO
	Between \$500,000 & \$999,999	CEO
Description	Contract Total Value	Representative with Authority to Encumber Funds
Contracts for and/or leases of Real Estate or personal property.	\$1,000,000 or Greater	Board
Contracts for the purchase or sale of Real Estate.	Any Value	Board
Contracts which exceeds a total Contract term of five (5) years or where the Initial Term exceeds three (3) years.	Any Value	Board
Emergency Procurements.  (The CEO of an Emergency Procurement must generate a report to include details surrounding the Emergency Procurement and submit it to the Board at or before the next Board Meeting)	\$1,000,000 or Greater	CEO or CPO

<sup>1</sup> Contract Amendment shall include any Contract Extension, Contract Renewal, Contract Price Increase, and Change Order.



## SECTION 11 – CONTRACT ADMINISTRATION

### **11.1 Contract Administration**

The CPO shall supervise, administer, and oversee every GLWA approved Contract. The CPO is authorized to adopt systems, procedures, standards, performance evaluation tools, and reporting of Vendors.

Each procurement may be monitored to assure execution of the Contract within the approved budget and scope within the terms of the procurement, the Articles of Incorporation, as well as federal and state procurement law.

### **11.2 Change Directive (CD)**

A CD is a written order generated by the project manager directing a change in the project and stating a proposed basis for adjustment to an approved Contract allowance. All CDs must be approved by the CPO or the CPO's designee prior to the start of work.

### **11.3 Liquidated Damages**

Where Liquidated Damages are specified and/or sought out, they shall only be imposed by the CPO or the CEO.

## SECTION 12 – CONTRACT COMPLIANCE

### **12.1 Contract Compliance**

A Vendor shall supply Goods and/or Services conforming to the specifications and performance requirements of the award. Failure to perform within the specification and performance requirements may result in Contract termination at any time by the CEO or CPO.

### **12.2 Federal Uniform Guidance Procurement Standards**

All projects funded in full, or in part, by federal funds, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Federal Procurement Standards CFR 200.318 – 200.326 or as may be amended). The CPO shall establish procedures to incorporate the required federal provisions for federally funded projects, regardless of the amount of funding.

## SECTION 13 – VENDOR SUSPENSION/DEBARMENT

### **13.1 Imposing Suspension/Debarment**

GLWA shall solicit responses from, award Contracts to, and consent to the use of Subcontractor who are Responsible Vendors and comply with this Policy. GLWA may suspend or debar Vendors<sup>2</sup>, at GLWA's discretion, for purposes related to: the good of the public interest; maintaining the integrity of the bidding, contracting and procurement

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<sup>2</sup> For purposes of this section, a Vendor includes (1) the business or individual providing the Good or Service, (2) the business' executive leadership and (3) the business' employees and Subcontractors that interact with Representatives.



processes; and protecting public trust and confidence in GLWA's operations. Suspensions and debarments will not be arbitrarily imposed. GLWA may suspend or debar a Vendor based on a finding that the Vendor is not a Responsible Vendor and shall report said finding to the Legal Committee in writing. The CEO and the CPO have the authority to suspend or debar a Vendor, with suspension being the first step to debarment. Causes which may result in a finding that a Vendor is not a Responsible Vendor include:

- a) An indictment or conviction of the Vendor under any federal, state or local law for any offense indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- b) An indictment or conviction of the Vendor under any federal, state or local law for any serious criminal offense that affects the Vendor's responsibility as a Vendor;
- c) Judgment of civil liability entered against the Vendor in any federal, state or local proceeding based upon facts indicating a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct;
- d) Results or preliminary findings of an investigation of the Vendor initiated by the GLWA, federal, state or local law enforcement department, municipality or agency involving allegations of a lack of business integrity, dishonesty, theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering, fraudulent conduct or any other serious misconduct;
- e) Results or a preliminary finding of an investigation of the Vendor using of an un-authorized Subcontractor;
- f) A preliminary finding of an investigation that the Vendor engaged in theft, bribery, extortion, bid rigging, contract or purchase order rigging, money laundering or fraudulent conduct in connection with a Contract or Assumed Contract;
- g) A preliminary finding of an investigation that the Vendor submitted, made or caused to be made a false, deceptive or fraudulent material statement in connection with a bid, certification, proposal, application, change order, charge, invoice, cost estimate, or payment request related to a Contract or Assumed Contract;
- h) Refusal by the Vendor to reasonably cooperate with the GLWA in connection with an investigation related to a Contract or Assumed Contract;
- i) Failure by the Vendor to report to the Buyer any activity by elected officials, employees, or persons acting on their behalf related to a Contract or Assumed Contract that the Vendor reasonably suspects to be improper, unethical or illegal;
- j) Demonstrated discrimination on the basis, including but not limited to race, religion, sexual orientation, marital status, gender, national origin or military status by the Vendor.
- k) Unlawful restraint or limitation on competition by the Vendor;
- l) Violation of a material term by the Vendor of a Contract or Assumed Contract;
- m) History of documented unsatisfactory performance by the Vendor;
- n) Violation of any local, state, or federal statute by the Vendor;
- o) Violation of any applicable ethics standards, including the ethical standards set forth



in the profession for which a Vendor is licensed and/or certified b; and

p) Any other conduct or activity by the Vendor that has a harmful impact upon the integrity of procurement process or public trust and confidence in the GLWA operations.

### **13.1.1 Vendor Suspension**

Vendors are immediately prohibited from participating in any GLWA procurement activity pending completion of an investigation initiated by the CPO.

If it is determined that there was a violation, a suspension shall be imposed for no less than thirty (30) days and no more than twelve (12) months from the date of said determination.

### **13.1.2 Vendor Debarment**

A Vendor that has been convicted of a criminal offense incident to the application for or performance of a contract or subcontract with GLWA or a local government, state or federal governmental entity or with a Vendor who has been held liable in a civil proceeding or has been convicted of a criminal offense that negatively reflects on the Vendor's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes, or similar laws shall be precluded from entering into a procurement with GLWA for all time.

For any other reason, not listed in the preceding paragraph, the debarment period shall be for no less than one (1) year and no more than five (5) years. During this time, a Vendor is not eligible to participate in any GLWA procurement activity.

### **13.1.3 Suspension or Debarment Protest**

A Vendor who has been suspended or debarred may file a written notice of protest with the CPO within seven (7) business days after the date of the suspension or debarment. The written notice of protest shall reference the notice and the basis for the protest.

The protest shall be reviewed by a third-party hearing officer selected by the CEO in an expeditious manner. The decision of the third-party hearing officer shall be final.



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Nicolette N. Bateson, CPA, Chief Financial Officer & Treasurer

**Re:** CFO Update

As we approach the end of the first quarter for FY 2023, we are well into the planning for FY 2024 & FY 2025 Biennial Budget and related five-year financial plan through FY 2028 and ten year forecast through FY 2033. There are some unique considerations that we will be addressing with you over the next few months.

1. Water System Contract Alignment Process ("CAP") is underway. It is too early to provide an overall summary of the value updates that are being discussed with the GLWA CAP team and Member Partners. The initial goal was implementation of these values in FY 2024 charges.
2. Water Charges Methodology Review is also underway. Attached is the working subgroup's project charter. Also, attached are presentation materials that were presented yesterday as part of report out from the subgroup to the over water system Member Partners. The initial goal was implementation of these values in FY 2025 charges.
3. Evaluating options for the combined impact of the CAP alongside the methodology review and maintaining charge stability over the course of the next years.
4. Incorporating the Economic Outlook Task Force findings and related planning scenarios into the financial plan as well as enhanced management of the capital improvement plan. A report will be presented in October.
5. Ongoing efforts with the Sewer SHARES workgroup and efforts to bring closure to topics under study.
6. The calendar for charges rollout meetings will be announced soon.

**Proposed Action:** Receive and file report.

**Water Charge Methodology Review**  
**2022 – 2023 Subgroup Project Charter**  
**Updated August 23, 2022**



## Background and Overview

GLWA's current water charge methodology uses 6 measures to represent each member's use of the system and therefore to allocate costs:

1. Water purchased	3. Peak hour	5. Elevation
2. Max day	4. Distance	6. Wholesale meters

Distance and elevation are based on measurements from each member's points of commerce to GLWA's 5 water treatment plants. GLWA plans to decommission the Northeast Water Treatment plant in the coming years. How to measure distance and elevation once that happens is the impetus of the review of the water charge methodology.

At the same time, in recent years members have also voiced a desire to discuss other questions, such as whether the current methodology applies the right weighting to each of the 6 measures. This review seeks to consider the refinements of greatest importance to members to determine what changes – if any – members seek to the methodology.

## Subgroup Charge

The Water Charge Methodology Review Subgroup is charged with developing recommended changes (or not!) to the current methodology, for consideration by all water Member Partners and – ultimately – for the GLWA Board of Directors, with the goal of implementing any changes as part of GLWA's fiscal year 2025. While it is desirable that these recommendations be made with unanimous consensus among members of the subgroup, unanimous consensus is not necessary.

## Guiding Principles for the Review

The following guiding principles were initially developed based on feedback members provided at the May 26, 2022 Charges Work Group and then further refined by the subgroup on June 30, 2022. They will serve as filters for decision-making as the subgroup prioritizes which methodology changes to consider and ultimately which to recommend:

1. *Stable* - the variation in a member's charges year over year will remain as stable or more stable than it currently is, assuming no change in the member's water use
2. *Simple* - the methodology will be no more complicated than the current methodology
3. *Impartial* - the amount that a member pays will be a reasonable representation of their use of the system

4. *Sustainable* - the methodology will guide investment and growth in the regional system in alignment with the regional One Water philosophy, and will encourage environmental and economic prosperity for the region

## **Rules of Collaboration**

As per the One Water Partnering Agreement, subgroup members will abide by and actively support the following rules of collaboration:

1. Show mutual respect for each Members' point of view.
2. Balance the needs of your individual community or entity with the interests of the system as a whole.
3. Work toward consensus on each issue. "Consensus" means an opinion held by all or most of the subgroup, which is supported by a show of hands.
4. Enter each meeting with a willingness to acknowledge your own personal bias to encourage and maintain a collaborative working environment.
5. Respect individual concerns and needs as each member is unique.
6. Be proactive and take initiative in raising issues and providing recommendations prior to, during, and after meetings.

## **Meeting Norms**

- Attend consistently, participate actively, and be fully present – for virtual meetings, turn off or ignore email, texts, and calls.
- Seek first to understand. When in doubt, ask!
- Share airtime – be mindful of helping us include as many voices as possible.

## **Subgroup Membership**

The following individuals have volunteered to serve on the subgroup:

1. Ali Dib, Dearborn Heights
2. Carrie Cox, Oakland County Water Resources Commissioner's Office
3. Carrie Smalley, Inkster
4. Chuck Bellmore, Clinton Township
5. Corey Jarocki, Dearborn
6. Danielle Allen, Shelby Township
7. Dave Miller, Shelby Township
8. Derek Thiel, Grosse Ile Township
9. Jason Esper, Washington Township
10. Jeff Herczeg, Novi
11. Jeff McKeen, Southeastern Oakland County Water Authority
12. Karen Mondora, Farmington Hills
13. Kevin Johnson, Macomb Township
14. Luther Blackburn, Ypsilanti Community Utilities Authority

15. Mark Gaworecki, Dearborn
16. Mary Bednar, Clinton Township
17. Matt Lane, GLWA
18. Michael Moore, Sterling Heights
19. Michael Way, Grosse Pointe Shores
20. Mike Buiten, Wayne
21. Nicole Golich, Dearborn
22. Raphael Chirolla, Oakland County Water Resources Commissioner's Office
23. Rich Amormino, Washington Township
24. Robert Rice, Detroit Water and Sewerage Department
25. Sam Smalley, Detroit Water and Sewerage Department
26. Susan Knepper, OHM Advisors on behalf of North Oakland County Water Authority
27. Tim Minor, ASI on behalf of Oakland County Water Resources Commissioner's Office
28. Warren Rothe, Grosse Pointe Park

### **Subgroup Support**

The following individuals will serve as advisors and support to the subgroup:

- Sherri Gee, GLWA
- Jody Caldwell, GLWA\*
- Matt Lane, GLWA
- Tim Kuhns, GLWA\*
- Todd King, GLWA\*
- Eric Griffin, GLWA\*
- Bart Foster, The Foster Group
- Brittany Galisdorfer, Bridgeport Consulting
- Lori Byron, Bridgeport Consulting\*

Those with an asterisk (\*) will attend subgroup meetings as is helpful to advance the work; they may not attend every meeting.

### **Timeline**

The schedule is designed to accommodate a consensus recommendation tendered to the GLWA Board of Directors by Fall 2023. It is possible that the work may move more quickly than described below. Once the review gets underway, the schedule and approach will be refined as is appropriate and in collaboration with those involved.

#### **Phase 1: Launch and Design**

**May 2022 – July 2022**

- Establish methodology review process
- Confirm guiding principles for the water charge methodology review
- Build understanding of current water charge methodology

Phase 2: Discovery and Data Gathering	July 2022 – January 2023
<ul style="list-style-type: none"><li>▪ Get all ideas for possible refinements on the table</li><li>▪ Narrow the list based on the guiding principles</li><li>▪ Conduct and review initial analyses</li></ul>	
Phase 3: Testing and Validation	January 2023 – June 2023
<ul style="list-style-type: none"><li>▪ Develop recommended refinements (1-3 options)</li><li>▪ Vet options with full membership</li><li>▪ Refine and iterate as needed</li></ul>	
Phase 4: Finalize and Communicate	June 2023 – November 2023
<ul style="list-style-type: none"><li>• Achieve member consensus on a recommended methodology</li><li>• Transmit recommendation to the Board for approval</li><li>• Success ensues!</li></ul>	

To achieve this timeline, the subgroup will meet approximately every other week, starting in July 2022 and primarily in person, to work through the details. Approximately every other month, virtual meetings will be scheduled for any parties interested in the status of the work to be brought up to speed.

**Charges Work Group: Water Charge Methodology****Review Update****Meeting Agenda****September 22, 2022, 10:00 a.m.– 12:00 p.m.**

Via Zoom



<b>10:00 a.m. – 10:05 a.m.</b>	<b>Welcome and Agenda Review – Brittany Galisdorfer, Bridgeport</b> <ul style="list-style-type: none"> <li>Meeting objectives: To build a shared understanding of the status of the water charge methodology review and path ahead</li> </ul>
<b>10:05 a.m. – 10:15 a.m.</b>	<b>Opening Remarks – Suzanne Coffey, GLWA</b>
<b>10:15 a.m. – 10:25 a.m.</b>	<b>Recap of Highland Park Bad Debt Status – Randal Brown, GLWA</b>
<b>10:25 a.m. – 11:00 a.m.</b>	<b>Subgroup Progress to Date – Corey Jarocki, Dearborn &amp; Kevin Johnson, Macomb Township</b> <ul style="list-style-type: none"> <li>Methodology review timeline</li> <li>Potential changes proposed for consideration to date and early findings</li> <li>Breakout discussions to surface questions/reactions</li> <li>Popcorn-style report-out</li> </ul>
<b>11:00 a.m. – 11:05 a.m.</b>	<b>BREAK</b>
<b>11:05 a.m. – 11:40 a.m.</b>	<b>Subgroup Next Steps – Jeff Herczeg, Novi</b> <ul style="list-style-type: none"> <li>Overview of potential changes yet to be analyzed/discussed</li> <li>Breakout discussions to surface questions/reactions and to welcome suggestions for additional changes to consider</li> <li>Popcorn-style report-out</li> </ul>
<b>11:40 a.m. – 11:55 a.m.</b>	<b>Water Charge Methodology Review: Third Party Charges Consultant – Matt Lane, GLWA</b>
<b>11:55 a.m. – 12:00 p.m.</b>	<b>Closing Remarks – Suzanne Coffey, GLWA</b>



# Subgroup Progress

September 22, 2022

Corey Jarocki, Dearborn

# Charges Methodology Review Timeline



# Charges Methodology Review Timeline

## PHASE 1 Launch & Design

May 2022 – Jul 2022

- Establish methodology review process
- Build understanding of current water charge methodology
- Confirm guiding principles for the water charge methodology review

# Guiding Principles Refined

**Charges Work Group Meeting**  
**May 26, 2022**

Stability      Long-Term  
Simplicity      Regional  
Fairness      Growth-Friendly  
Respect



## Methodology Review Goals

### Stable

We know what to expect, year over year

### Simple

We can explain it to our stakeholders

### Impartial

We pay based on data that reasonably aligns with our system use

### Sustainable

We grow the system to benefit members and the region broadly

# Charges Methodology Review Timeline

## PHASE 2 Discovery & Data Gathering

Jul 2022 – Jan 2023

- Get all ideas for possible refinements on the table
- Narrow the list based on the guiding principles
- Conduct and review initial analyses

# Charges Methodology Review Timeline

## PHASE 3 Testing & Validation

Jan 2023 – Jun 2023

- Develop recommended refinements (1-3 options)
- Vet options with full membership
- Refine and iterate as needed

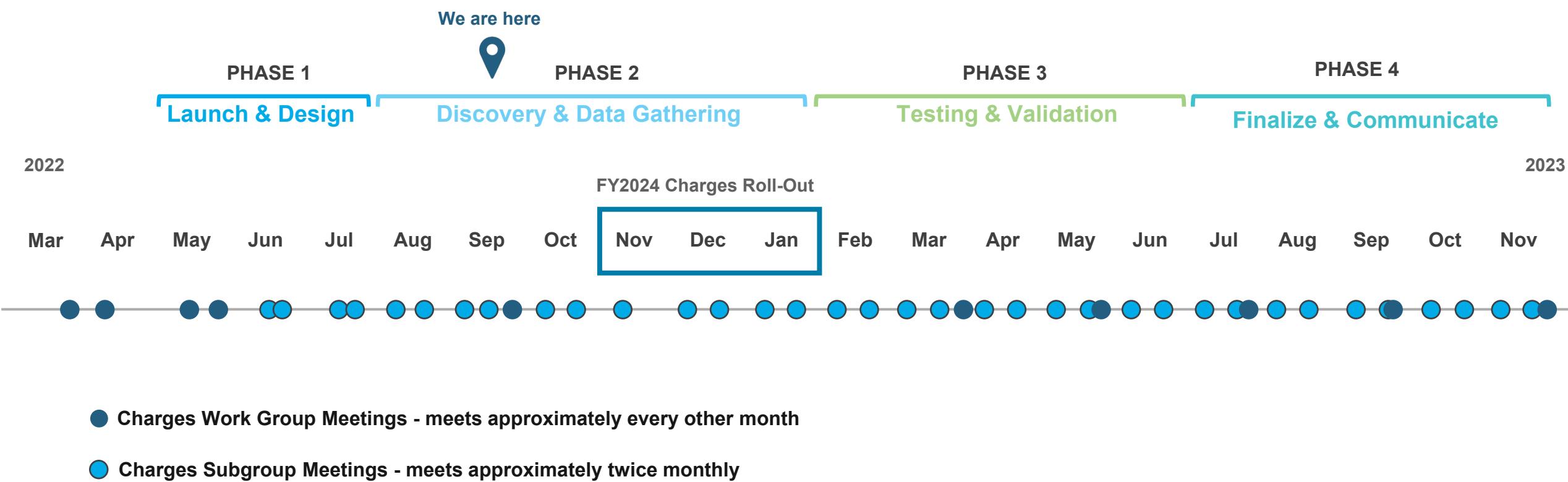
# Charges Methodology Review Timeline

## PHASE 4 Finalize & Communicate

Jun 2023 – Nov 2023

- Achieve member consensus on a recommended methodology
- Transmit recommendation to the Board for approval
- Success ensues!

# Charges Methodology Review Timeline



Charges Work Group | September 22, 2022

# Water Charges Methodology Workgroup Update

# Group's Phased Approach

- Phase 1: Launch and Design May – July 2022
- **Phase 2: Discovery and Data Gathering** July – January 2023
- Phase 3: Testing and Validation January – June 2023
- Phase 4: Finalize and Communicate June - November 2023

# Current Methodology Cost Pools

- Currently use Commodity-Demand Method
- Cost Pools technically referred to as Functional Service Components
- Cost allocated to one or more cost pools based on members' use of system

Capital Cost Pools	O&M Cost Pools
Source of Supply	Source of Supply – Power Source of Supply – Other
Low Lift Pumping	Low Lift Pumping – Power Low Lift Pumping – Other
Purification	Purification – Chemicals Purification – Other
High Lift Pumping	High Lift Pumping – Power High Lift Pumping – Other
Reservoirs	Reservoirs
Water Booster Stations	Water Booster Stations
Transmission Mains	Transmission Mains
Wholesale Master Meters	Wholesale Master Meters

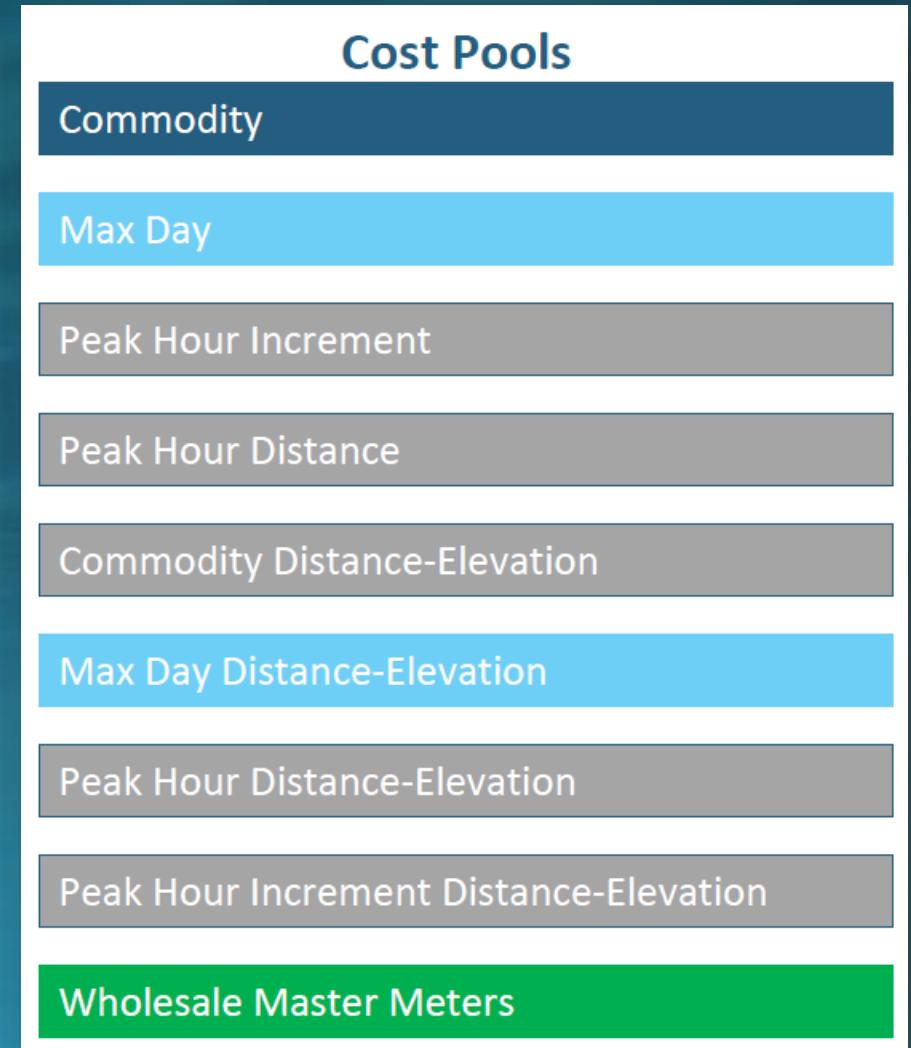
# Phase 2: Discovery and Data Gathering

- 4 Key Ideas Analyzed So Far
  - Eliminating Smallest Cost Pools
  - Alignment with AWWA Methodologies
  - Distribution Costs under Base-Extra vs. Commodity Demand Approach
  - Allocation of Power Costs



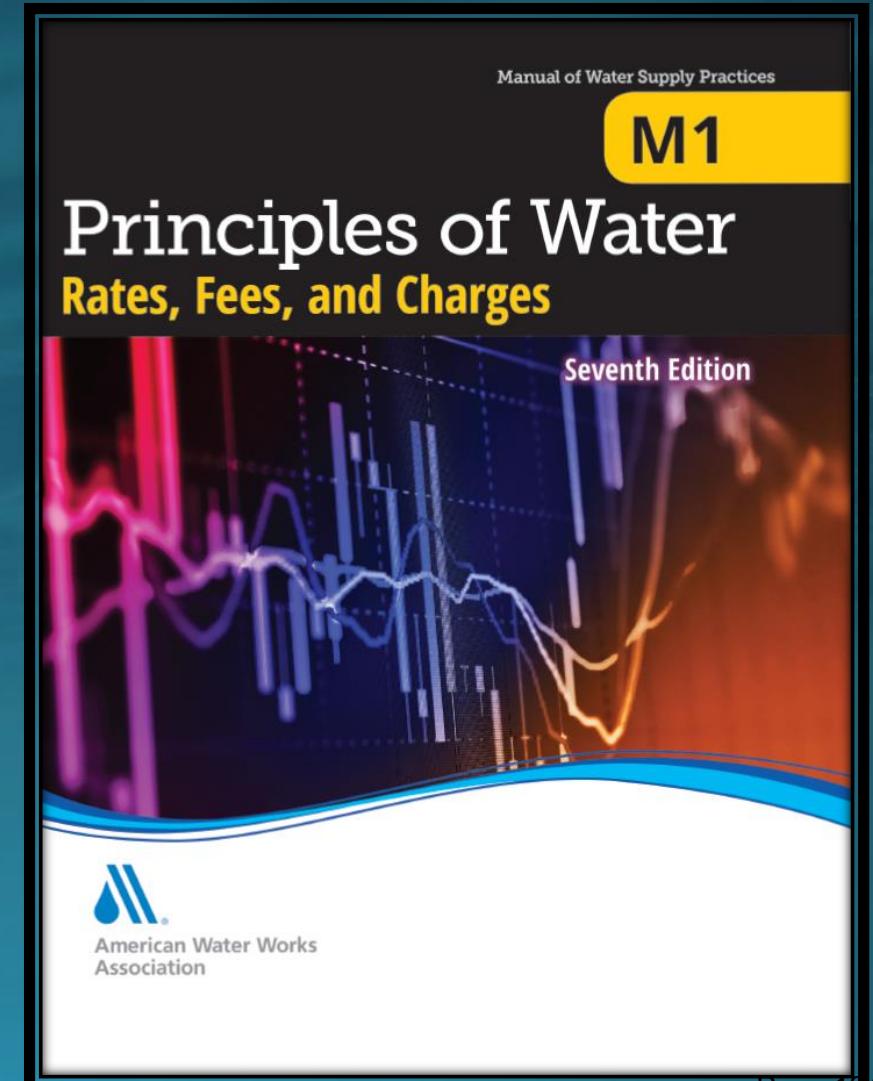
# 4 Key Ideas Analyzed

- 1: Look Into Eliminating Smallest Cost Pools
  - Looking to Simplify Charges to Make them Less Complicated



# 4 Key Ideas Analyzed

- 2: Alignment with AWWA Manual
  - Industry Standard
- 3: Base-Extra vs. Commodity-Demand
  - Difference in methods is negligible
  - ~13 years ago, DWSD switched from base-extra to commodity-demand



# 4 Key Ideas Analyzed

- 4: Allocation of Power Costs
  - Does GLWA's Max Day/Peak Hour align with DTE?
  - How does power correlate with system usage?





## **Monthly Financial Report Binder**

**June 2022 (Unaudited)**

**Presented to the  
Great Lakes Water Authority  
Audit Committee on September 23, 2022**

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## Key Financial Metrics

The table below provides key report highlights and flags the financial risk of a budget shortfall by year-end as follows: No Risk (green) - Potential (yellow) - Likely (red)

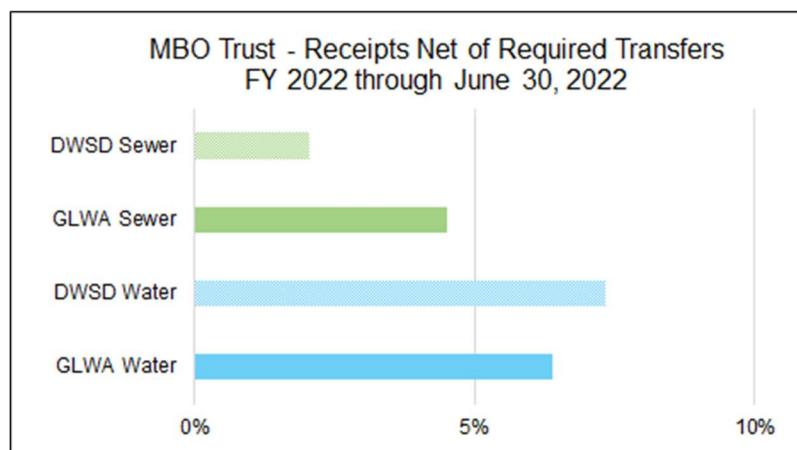
Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Budget amendments are prepared and presented quarterly based on most current information. To address the wholesale water revenue shortfall, a first and fourth quarter budget amendments were approved totaling \$4.9 million.

Capital spend reflects a noticeable variance from budgeted CIP for both the water and sewer funds. For the purposes of this metric, we compare actual spend with the Board-approved budget. For the purposes of managing the financial plan, budget amendments are made to align spending with resources available. The fourth quarter FY 2022 budget amendments were approved by the Board to achieve that alignment.

Metric	As of June 30, 2022				Report Page Reference
	FY 2022 Budget	FY 2022 Amended Budget	FY 2022 Actual	Variance from Financial Plan	
Wholesale Water Billed Revenue (\$M)	\$329.0	\$324.1	\$325.4	0%	46
Wholesale Water Billed Usage (mcf)	13,589,000	13,139,000	13,161,000	0%	
Wholesale Sewer Billed Revenue (\$M)	\$271.4	\$271.4	\$271.4	0%	48
Wholesale Water Operations & Maintenance (\$M)	\$143.9	\$143.9	\$128.9	-10%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$181.3	\$191.9	\$190.4	-1%	
Investment Income (\$M)	\$3.0	\$3.8	\$3.8	0%	35
Water Prorated Capital Spend w/SRA* (\$M)	\$134.3	\$134.3	\$159.0	18%	26
Sewer Prorated Capital Spend w/SRA* (\$M)	\$79.5	\$79.5	\$70.5	-11%	27

\*SRA refers to the capital spending ratio assumption which allows capital program delivery realities to align with the financial plan.

## Master Bond Ordinance (MBO) Trust Net Receipts (page 54)



Net cash flow receipts remain positive for GLWA Water and Sewer. This means that all legal commitments of the MBO Trust and the lease payment are fully funded – and that positive cash flow is available for additional capital program funding in subsequent year(s). DWSD Water reports a surplus of \$7.5 million and DWSD Sewer reports a surplus of \$6.0 million of net receipts over disbursements through June 2022.

The DWSD loan receivable for fiscal year 2018 has now been paid in full. DWSD is closing fiscal year 2022 with positive net receipts in both Water and Sewer funds and no loan receivable balance.

## Budget to Actual Analysis (page 3)

- FY 2022 information includes the fourth quarter budget amendments which were approved by the GLWA Board on June 22, 2022.
- This report is not final. Adjustments related to the fiscal year end 2022 audit will affect the Budget to Actual Analysis.
- The total Revenue Requirements are on target through June 2022.
- The total overall Operations & Maintenance expenses are at 95.1% of budget through June 2022.

## Basic Financial Statements (page 9)

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for June 2022 is \$87.9 million for the Water fund (25.5% of total revenues) and \$118.2 million for the Sewer fund (25.1 % of total revenues).
- Water Net Position decreased by \$ 4.5 million, and Sewage Disposal Net Position decreased by \$ 5.0 million for the year to date through June 2022.

## Capital Improvement Plan Financial Summary (page 28)

- Water systems exceed the 75% Capital Spend Ratio assumption.
- Sewer systems also exceed the 75% Capital Spend Ratio assumption.

## Master Bond Ordinance Transfers (page 31)

- For June, transfers of \$13.6 million and \$28.2 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for June, transfers of \$3.9 million and \$7.0 million were completed for the DWSD Water and Sewer funds, respectively.

## Cash Balances & Investment Income (page 35)

- Total cash & investments are \$353 million in the Water fund and \$446 million in the Sewer fund.
- Total, combined, cumulative, FY 2022 investment income through June is \$3.8 million.

## DWSD Retail Revenues, Receivables & Collections (page 42)

- Water usage through June 30, 2022 is at 109.41% and revenues at 100.90% of budget.
- Sewer usage through June 30, 2022 is at 104.48% and revenues at 99.98% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$52.3 million over the prior year.
- Past dues over 180 days make up 69.3% of the total accounts receivable balance. The current bad debt allowance covers 100.5% of past dues over 60 days.

## GLWA Wholesale Billing, Receivables & Collections (page 48)

- GLWA accounts receivable past due balance net of Highland Park is 9.40% of the total accounts receivable balance, with the majority of that balance related to one water account dispute currently under discussion.
- The Highland Park past due balance is \$53.4 million. It includes \$40.6 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$10.9 million for water supply services. Highland Park made a catch-up payment of \$1.7 million on June 3, 2022 and continues to make small, monthly payments since that time.

**Questions?** Contact the Office of the Chief Financial Officer at [CFO@glwater.org](mailto:CFO@glwater.org)

The Monthly Budget to Actual Analysis report includes the following three sections.

1. Revenue Requirement Budget Basis Analysis
2. Operations & Maintenance Budget – Major Budget Categories
3. Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis

The FY 2022 information presented in these sections includes the fourth quarter budget amendments approved by the GLWA Board on June 22, 2022.

It is important to note that the tables in these sections are presented in a draft format. Adjustments related to the fiscal year end 2022 audit will affect the Budget to Actual Analysis. This includes the final amendment of the budget to allocate the administrative and centralized budget categories to the water and sewer categories.

## Revenue Requirement Budget Basis Analysis - Draft

GLWA's annual revenue requirement represents the basis for calculating Member Partner charges and aligns with the Master Bond Ordinance flow of funds categories. The budget basis is not the same as the full accrual basis used for financial reporting although the revenues and operations and maintenance expense are largely reported on an accrual basis. The primary difference between the revenue requirement budget basis to the financial reporting basis is the treatment of debt service, legacy pension obligations, and lease related activities. The Revenue Requirement Basis is foundational to GLWA's daily operations, financial plan, and of most interest to key stakeholders.

**Table 1A – Water Revenue Requirement Budget** and **Table 1B – Sewer Revenue Requirement Budget** presents a year-over-year budget to actual performance report. The revenue requirement budget is accounted for in the operations and maintenance fund for each system. Since this report is for June 2022, the pro-rata benchmark is 100% (12 of 12 months of the fiscal year).

Items noted below are highlighted in gold on Tables 1A (Water) and 1B (Sewer).

1. **Revenues:** For both systems, FY 2022 revenues are slightly above target. Detailed schedules related to revenues are provided in the *Wholesale Billings, Collections, and Receivables* section of this financial report binder.

Water revenues presented in Table 1A differ from those presented in *Table 2 – Statement of Revenues, Expenses and Changes in Net Position* found in the *Basic Financial Statement* section of this report. Water Revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly payment to the City of Flint for a license to raw water rights under the Flint Raw Water Contract as documented in Appendix A-2 of the [Flint Water Agreement](#). Through June 30, 2022, these payments total \$6.5 million for FY 2022.

2. **Investment Earnings:** Investment earnings is slightly over the pro-rata benchmark for FY 2022 for the *water* system at 101.1%; while the *sewer* system is slightly below the pro-rata benchmark at 98.2%. Detailed analysis of investment earnings activity to date can be found in the *Cash & Investment Income* section of this financial report binder.
3. **Other Revenues:** These are one-time and unusual items that do not fit an established revenue category. Both the *water* and *sewer* systems actual amount will vary from budget due to the nature of the items recorded in this category.
4. **Operations & Maintenance Expense:** Actual expenses<sup>1</sup> for *both* systems have variances from the pro-rata benchmark. The *water* system is below the pro-rata benchmark for FY 2022 at 89.6%. The *sewer* system O&M expenses, at 99.2%, is slightly below the pro-rata benchmark.
5. **Debt Service:** For both systems, debt service is slightly above the pro-rata benchmark for FY 2022; the *water* system is at 100.7%; while the *sewer* system is at 100.7%. The activity is based on the payment schedules adjusted for the State Revolving Fund loans that are still being drawn down.
6. **Operating Reserve Deposit:** GLWA has established a target balance in the O&M Fund of 45 days of operating expense which works in tandem with the I&E Funds to provide liquidity to the utility. Adequate funding is in place to meet this requirement; therefore, additional transfers to this reserve was not required in FY 2022.
7. **DWSD Budget Shortfall Pending:** To the extent that the local (DWSD) system experiences budgetary shortfalls as defined by the Water & Sewer Services Agreement, the GLWA budget is impacted.<sup>2</sup> Steps to proactively detect, and ideally prevent, this shortfall scenario were put into place with the 2018 Memorandum of Understanding (dated June 27, 2018). For FY 2021, DWSD management successfully implemented a formal plan to end the year with positive net cash flows for both the DWSD *water* system and the DWSD *sewer* system. For FY 2022, neither the DWSD *water* system nor the DWSD *sewer* system have budgetary shortfalls through June 30, 2022. GLWA and DWSD staff meet regularly to discuss steps to mitigate shortfalls, when they occur, as outlined in the 2018 MOU.
8. **Improvement & Extension (I&E) Fund Transfer Pending:** The contribution to the I&E Fund is for improvements, enlargements, extensions, or betterment of the *water* and *sewer* systems.
9. **Other Revenue Requirements:** The remaining revenue requirements for *both* systems are funded on a 1/12<sup>th</sup> basis each month in accordance with the Master Bond Ordinance.
10. **Overall:** Total revenue requirements for *both* systems are in line with the benchmark.

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<sup>1</sup>The tables in this analysis reflect actual amounts spent. If this analysis was on a master bond ordinance (MBO) basis, like that used for calculating debt service coverage, O&M “expense” would equal the pro-rata budget because 1/12 of the O&M budget is transferred monthly outside the MBO trust to an O&M bank account.

<sup>2</sup> As a reminder, the monthly O&M transfer for MBO purposes is at 1/12 of the budget to a DWSD O&M bank account outside the trust. Actual budget may be less than that amount providing an actual positive variance for DWSD.

**Table 1A – Water Revenue Requirement Budget (year-over-year) – (\$000)**

Water System	FY 2021		FY 2021 ACTIVITY THRU 6/30/2021	Percent Year-to- Date	FY 2022		FY 2022		Percent Year-to- Date
	AMENDED BUDGET	ADOPTED BUDGET			BOARD ADOPTED BUDGET	AMENDED BUDGET	ACTIVITY THRU 6/30/2022		
<b>Revenues</b>									
Suburban Wholesale Customer Charges	\$ 317,034	\$ 315,772	99.6%	\$ 321,111	\$ 315,011	\$ 316,530	100.5%		
Retail Service Charges	21,926	21,926	100.0%	21,697	21,697	21,697	100.0%		
Investment Earnings	3,956	4,195	106.1%	1,047	1,924	1,946	101.1%		
Other Revenues	229	268	116.8%	175	684	775	113.3%		
<b>Total Revenues</b>	<b>\$ 343,144</b>	<b>\$ 342,160</b>	<b>99.7%</b>	<b>\$ 344,031</b>	<b>\$ 339,316</b>	<b>\$ 340,948</b>	<b>100.5%</b>		
<b>Revenue Requirements</b>									
Operations & Maintenance Expense	\$ 134,127	\$ 118,841	88.6%	\$ 143,934	\$ 143,934	\$ 128,919	89.6%		
General Retirement System Legacy Pension	6,048	6,048	100.0%	6,048	6,048	6,048	100.0%		
Debt Service	137,436	138,100	100.5%	135,481	135,121	136,040	100.7%		
General Retirement System Accelerated Pension	6,268	6,268	100.0%	6,268	6,268	6,268	100.0%		
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%		
Water Residential Assistance Program Contribution	1,669	1,669	100.0%	1,706	1,706	1,706	100.0%		
Regional System Lease	22,500	22,500	100.0%	22,500	22,500	22,500	100.0%		
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%		
DWSD Budget Shortfall Pending Improvement & Extension Fund Transfer Pending	-	-	0.0%	-	-	-	0.0%		
	35,095	35,095	100.0%	28,094	23,740	23,740	100.0%		
<b>Total Revenue Requirements</b>	<b>\$ 343,144</b>	<b>\$ 328,522</b>	<b>95.7%</b>	<b>\$ 344,031</b>	<b>\$ 339,316</b>	<b>\$ 325,220</b>	<b>95.8%</b>		
<b>Net Difference</b>		<b>\$ 13,638</b>				<b>\$ 15,728</b>			
<i>Recap of Net Positive Variance</i>									
Revenue Variance		\$ (984)					\$ 1,632		
Revenue Requirement Variance		14,622					14,096		
<b>Overall Variance</b>		<b>\$ 13,638</b>					<b>\$ 15,728</b>		

**Table 1B – Sewer Revenue Requirement Budget (year-over-year) – (\$000)**

Sewer System	FY 2021		FY 2021 ACTIVITY THRU 6/30/2021	Percent Year-to- Date	FY 2022		FY 2022		Percent Year-to- Date
	AMENDED BUDGET	ACTIVITY THRU 6/30/2021			BOARD ADOPTED BUDGET	AMENDED BUDGET	ACTIVITY THRU 6/30/2022		
<b>Revenues</b>									
Suburban Wholesale Customer Charges	\$ 272,454	\$ 267,568	98.2%	\$ 272,130	\$ 268,130	\$ 268,813	100.3%		
Retail Service Charges	187,960	187,960	100.0%	188,662	188,662	188,662	100.0%		
Industrial Waste Control Charges	7,685	8,005	104.2%	9,025	8,325	8,300	99.7%		
Pollutant Surcharges	6,108	6,720	110.0%	4,189	5,089	5,182	101.8%		
Investment Earnings	2,778	2,802	100.9%	1,023	1,876	1,842	98.2%		
Other Revenues	2,195	2,217	101.0%	400	538	536	99.6%		
<b>Total Revenues</b>	<b>\$ 479,179</b>	<b>\$ 475,272</b>	<b>99.2%</b>	<b>\$ 475,429</b>	<b>\$ 472,620</b>	<b>\$ 473,335</b>	<b>100.2%</b>		
<b>Revenue Requirements</b>									
Operations & Maintenance Expense	\$ 182,296	\$ 172,313	94.5%	\$ 181,300	\$ 191,909	\$ 190,380	99.2%		
General Retirement System Legacy Pension	10,824	10,824	100.0%	10,824	10,824	10,824	100.0%		
Debt Service	201,780	201,945	100.1%	207,210	204,985	206,490	100.7%		
General Retirement System Accelerated Pension	11,621	11,621	100.0%	11,621	11,621	11,621	100.0%		
Extraordinary Repair & Replacement Deposit	-	-	0.0%	-	-	-	0.0%		
Water Residential Assistance Program Contribution	2,415	2,415	100.0%	2,358	2,358	2,358	100.0%		
Regional System Lease	27,500	27,500	100.0%	27,500	27,500	27,500	100.0%		
Operating Reserve Deposit	-	-	0.0%	-	-	-	0.0%		
DWSD Budget Shortfall Pending Improvement & Extension Fund Transfer Pending	-	-	0.0%	-	-	-	0.0%		
	42,743	42,743	100.0%	34,617	23,424	23,424	100.0%		
<b>Total Revenue Requirements</b>	<b>\$ 479,179</b>	<b>\$ 469,360</b>	<b>98.0%</b>	<b>\$ 475,429</b>	<b>\$ 472,620</b>	<b>\$ 472,597</b>	<b>100.0%</b>		
<b>Net Difference</b>		<b>\$ 5,911</b>				<b>\$ 738</b>			
<i>Recap of Net Positive Variance</i>									
Revenue Variance		\$ (3,907)					\$ 715		
Revenue Requirement Variance		9,819					23		
<b>Overall Variance</b>		<b>\$ 5,911</b>					<b>\$ 738</b>		

All amounts are unaudited unless otherwise noted.

## Operations & Maintenance Budget – Major Budget Categories - Draft

The year-over-year benchmark ratio as of June 30, 2022, is 100% (twelve months). When comparing FY 2022 to FY 2021 in **Table 2 – Operations & Maintenance Budget – Major Budget Categories**, the overall spending is higher in FY 2022.

In addition to the four major budget categories, an internal charge cost center for employee benefits is shown in the table below. If the number is positive, it indicates that the internal cost allocation rate charges to other cost centers is not sufficient. A negative number indicates a surplus in the internal cost center. A moderate surplus is preferred as it provides a hedge for mid-year benefit program cost adjustments (premiums adjust on January 1 each year) as well as managing risk as the program is partially self-insured.

**Table 2 – Operations & Maintenance Budget – Major Budget Categories – (\$000)**

Major Budget Categories	FY 2021		Percent Year-to-Date	FY 2022		FY 2022	
	AMENDED BUDGET	ACTIVITY THRU 6/30/2021		BOARD ADOPTED BUDGET	AMENDED BUDGET	ACTIVITY THRU 6/30/2022	Percent Year-to-Date
Water	\$ 70,820	\$ 69,289	97.8%	\$ 74,813	\$ 76,422	\$ 74,380	97.3%
Sewer	114,975	106,769	92.9%	111,971	120,971	119,646	98.9%
Centralized	100,339	88,129	87.8%	103,846	103,846	91,882	88.5%
Administrative	30,290	26,967	89.0%	34,603	34,603	33,391	96.5%
Employee Benefits	-	-	0.0%	-	-	-	0.0%
<b>Total O&amp;M Budget</b>	<b>\$ 316,424</b>	<b>\$ 291,154</b>	92.0%	<b>\$ 325,234</b>	<b>\$ 335,842</b>	<b>\$ 319,299</b>	95.1%

*Totals may be off due to rounding*

## Alignment of Operations & Maintenance Budget Priorities – Expense Variance Analysis - Draft

The purpose of **Table 3 – Operations & Maintenance Expense Variance Analysis** is to evaluate whether the actual spend rate within a natural cost category is in alignment with the budget. Given the effort to develop an accurate budget, a variance is a red flag of a *potential* budget amendment or misalignment of priorities.

**Total:** In total, the overall O&M expenses are at 95.1% which is reasonably within the pro-rata benchmark of 100%. This positive variance equates to a dollar amount of \$16.5 million. The expense category commentary is provided below for items highlighted on Table 3.

**Personnel Costs:** The overall category is slightly under the pro-rata benchmark; coming in at 95.7% through June 2022.

**Utilities:** The overall category is slightly above the pro-rata benchmark; coming in at 100.5% through June 2022. Variances within this category, when they occur, are not unexpected as usage varies throughout the year.

- **Electric** is slightly lower than the pro-rata benchmark, coming in at 99.6%. The first three months of GLWA's fiscal year (July, August, and September) are typically peak months for the usage of electricity. June, the last month of GLWA's fiscal year, is typically a peak month as well.
- **Gas** is coming in at 122.4% which is higher than the benchmark of 100%. The cost of natural gas per MMBTU has increased 125% since July 2021. In addition, increased production at the Biosolids Dryer Facility (BDF) and wastewater incineration has led to an increase in natural gas usage.
- **Sewage service** is slightly higher than the benchmark, coming in at 102.3%. Increased usage is being reported at the WRRF (in part due to bills being received for actual meter readings when in the past the bills had been estimated), the Biosolids Dryer Facility (BDF), and the Southwest Water Plant.
- **Water service** is less than the benchmark, coming in at 79.9%. As meters have been repaired or replaced at the WRRF, the billings that previously reported estimated readings have been replaced with actual readings. The actual readings were coming in higher than the estimated billings and the FY 2022 budget was amended to reflect this increase. After the development of the FY 2022 fourth quarter budget amendment, a reversal of a prior year accrual, of \$586,000, for water usage was posted in May 2022. In addition, the actual billings for the fourth quarter water usage came in less than what was estimated for this period.

**Chemicals:** This category is slightly higher than the pro-rate benchmark; coming in at 102.7% through June 2022. The FY 2022 budget was adjusted for the increase in chemical costs, however, variances within this category are not unexpected as usage varies throughout the year.

**Supplies & Other:** This category is lower than the benchmark; coming in at 84.8% through June 2022. Given that the nature of the items in this category are subject to one-time expenses that do not occur evenly throughout the year, variances are not unexpected. The effects of the COVID-19 pandemic continue to impact the FY 2022 activity: Training and travel, while resuming in FY 2022, have not returned to the level of spending as planned; and events such as the Town Hall Meetings and the Annual Open House at Water Works Park did not take place. Supply chain issues continue to cause delays in being able to order supplies such as computer equipment. The start times of the following projects experienced delays (although these projects are now underway): Enterprise Asset Management (EAM), Enterprise Resource Planning (ERP), and the Data Center Modernization projects.

**Contractual Services:** The category is slightly lower than the pro-rata benchmark; coming in at 96.7% through June 2022. Variances in this category, when they occur, are not unexpected as the usage of contracts varies throughout the year (projects scheduled to begin during the latter half of the year as well as contracts that are on an as needed basis).

**Capital Program Allocation:** This category is slightly lower than the benchmark; coming in at 98.1% through June 2022. The amount in the Capital Program Allocation account is shown as negative as this is a “contra” account which represents an offset to the Personnel Costs section of the Operations & Maintenance (O&M) budget.

**Shared Services:** This category is lower than the benchmark; coming in at 74.9% through June 2022. This variance is the result of true-up adjusting entries (FY 2018 through FY 2022), of \$394,800, that were posted to June 2022 and a reduction in services for ITS-009A IT Infrastructure for FY 2022 of \$394,000. The shared services reimbursement is comprised of both labor (tracked via BigTime) and expenses, such as annual fees for software licensing. Staff from both GLWA and DWSD have been working together to evaluate and refine the budget for the shared services agreements. Based on these evaluations, adjustments have been made to both the billings and accounting accruals to reflect the forecasted activity more accurately for FY 2022. In addition, it is important to note that some of the shared services agreements are not billed at a monthly rate of 1/12 of the annual budgeted amount.

**Table 3 –Operations & Maintenance Expense Variance Analysis – (\$000)**

Expense Categories Entity-wide	FY 2021		Percent Year-to- Date at 6/30/2021	FY 2022			Percent Year-to- Date 6/30/2022	FY 2022 PRORATED BUDGET	
	AMENDED	BUDGET		AMENDED	AMENDED BUDGET	ACTIVITY THRU 6/30/2022		LESS FY 2022 ACTIVITY	
					(12 MONTHS)				
Salaries & Wages	\$ 67,306	\$ 64,911	96.4%	\$ 66,113	\$ 66,113	\$ 63,901	96.7%	\$ 2,213	
Workforce Development	895	829	92.7%	869	869	844	97.1%	25	
Overtime	7,537	7,365	97.7%	8,126	8,126	8,114	99.8%	12	
Employee Benefits	26,806	25,448	94.9%	25,956	25,956	24,205	93.3%	1,750	
Transition Services	8,557	8,392	98.1%	10,805	10,805	9,990	92.5%	815	
Employee Benefits Fund	-	-	0.0%	-	-	-	0.0%	-	
<i>Personnel Costs</i>	<i>111,100</i>	<i>106,945</i>	<i>96.3%</i>	<i>111,869</i>	<i>111,869</i>	<i>107,053</i>	<i>95.7%</i>	<i>4,815</i>	
Electric	41,554	41,982	101.0%	43,950	43,950	43,755	99.6%	195	
Gas	5,924	5,706	96.3%	7,081	7,081	8,664	122.4%	(1,583)	
Sewage Service	2,297	2,075	90.3%	2,510	2,510	2,568	102.3%	(57)	
Water Service	2,608	2,987	114.5%	5,841	5,841	4,669	79.9%	1,173	
<i>Utilities</i>	<i>52,383</i>	<i>52,750</i>	<i>100.7%</i>	<i>59,383</i>	<i>59,383</i>	<i>59,656</i>	<i>100.5%</i>	<i>(273)</i>	
Chemicals	14,362	13,982	97.4%	19,842	19,842	20,382	102.7%	(540)	
Supplies & Other	35,595	31,216	87.7%	35,034	35,034	29,710	84.8%	5,324	
Contractual Services	99,977	92,020	92.0%	111,198	111,198	107,527	96.7%	3,671	
Capital Program Allocation	(3,447)	(3,192)	92.6%	(2,684)	(2,684)	(2,632)	98.1%	(52)	
Shared Services	(4,512)	(2,567)	56.9%	(3,202)	(3,202)	(2,398)	74.9%	(804)	
Unallocated Reserve	10,966	-	0.0%	4,402	4,402	-	0.0%	4,402	
<b>Total Expenses</b>	<b>\$ 316,424</b>	<b>\$ 291,154</b>	<b>92.0%</b>	<b>\$ 335,842</b>	<b>\$ 335,842</b>	<b>\$ 319,299</b>	<b>95.1%</b>	<b>\$ 16,544</b>	

*Totals may be off due to rounding*

The Basic Financial Statements report includes the following four tables.

1. Statement of Net Position - All Funds Combined
2. Statement of Revenues, Expenses and Changes in Net Position – All Funds Combined
3. Supplemental Schedule of Operations & Maintenance Expenses -All Funds Combined
4. Supplemental Schedule of Nonoperating Expenses – All Funds Combined

At a macro level GLWA has two primary funds for financial reporting purposes: *Water Fund* and *Sewage Disposal Fund*. These funds represent the combined total of four sub-funds for each system that are used internally to properly account for sources and uses of funds. Those sub-funds for each system are: *Operations & Maintenance Fund*, *Improvement & Extension Fund*, *Construction Fund*, and *Capital Asset Fund*.

The June 2022 basic financial statements are presented in a draft format. Adjustments related to fiscal year end 2022 audit affect the basic financial statements. The results of these adjustments will be presented in the audited annual report. June 2021 comparative amounts shown in the tables below are presented based on final audited figures.

## Statement of Net Position – All Funds Combined - Draft

Explanatory notes follow the Statement of Net Position shown in Table 1 below.

**Table 1 – Statement of Net Position - All Funds Combined - Draft**  
**As of June 30, 2022**

			Total Business-type Activities	Comparative
	Water	Sewage Disposal		June 30, 2021
<b>Assets</b>				
Cash - unrestricted (a)	\$ 155,465	\$ 203,231	\$ 358,696	\$ 354,351
Cash - restricted (a)	61,272	41,066	102,338	162,646
Investments - unrestricted (a)	91,500	93,709	185,209	322,930
Investments - restricted (a)	40,219	104,227	144,445	70,225
Accounts Receivable	109,441	65,692	175,133	165,059
Due from (to) Other Funds (b)	3,514	(3,514)	-	-
Other Assets (c)	666,747	410,951	1,077,698	1,098,362
Capital Assets, net of Depreciation	1,293,660	2,138,778	3,432,437	3,546,027
Land	294,046	126,704	420,750	417,512
Construction Work in Process (e)	273,368	193,514	466,882	395,973
<b>Total assets</b>	<b>2,989,231</b>	<b>3,374,357</b>	<b>6,363,588</b>	<b>6,533,085</b>
<b>Deferred Outflows (f)</b>	<b>52,808</b>	<b>129,689</b>	<b>182,497</b>	<b>225,074</b>
<b>Liabilities</b>				
Liabilities - Liabilities-ST	177,213	176,842	354,055	329,279
Due to (from) Other Funds (b)	-	-	-	-
Other Liabilities (h)	2,000	5,500	7,500	7,500
Cash Held FBO DWSD (d)	11,371	9,098	20,470	6,064
Liabilities - Long-Term (i)	2,893,701	3,369,810	6,263,510	6,529,068
<b>Total liabilities</b>	<b>3,084,285</b>	<b>3,561,250</b>	<b>6,645,535</b>	<b>6,871,911</b>
<b>Deferred Inflows (f)</b>	<b>59,502</b>	<b>60,655</b>	<b>120,157</b>	<b>96,380</b>
<b>Total net position (j)</b>	<b>\$ (101,748)</b>	<b>\$ (117,859)</b>	<b>\$ (219,607)</b>	<b>\$ (210,132)</b>

*Totals may be off due to rounding*

In general, the Statement of Net Position reflects a mature organization with no unexpected trends.

An ongoing challenge is the Net Position Deficit. The underlying causes took years to build (largely heavy use of debt to finance capital asset investment versus a strategic blend of debt, state revolving funds, and cash). The effect is reflected in GLWA's high debt interest expense. The GLWA is regularly updating the FY 2032 forecast which helps to provide a pathway to a positive Net Position in the future.

### **Footnotes to Statement of Net Position**

- a. *Cash and Investments* are reported at market value. Investments at June 30, 2021 are also reported at market value. The June 30, 2022 values differ from the Cash and Investment section of this Financial Report Binder due to timing of certain items recognized on a cash versus accrual basis.
- b. *Due from Other Funds* and *Due to Other Funds* are shown at gross for sub-fund activity.
- c. *Other Assets* primarily consists of the contractual obligation receivable from DWSD related to reimbursement of bonded indebtedness for local system improvements.
- d. *Cash Held FBO Advance (for benefit of) DWSD* and *Cash Held FBO DWSD* represents the net difference between DWSD retail cash received from customers and net financial commitments as outlined in the Master Bond Ordinance.
- e. *Construction Work in Process* represents the beginning balance of CWIP plus any construction spending during the fiscal year. The balance will fluctuate based on the level of spend less any capitalizations or write-offs.
- f. *Deferred Inflow* and *Deferred Outflow* relate mainly to financing activity and GLWA's share of the legacy General Retirement System (GRS) pension obligation.
- g. *Liabilities - Short-term* include accounts payable, retainage payable, and certain accrued liabilities. Some items, such as compensated absences and worker's compensation, are reviewed periodically but only adjusted in the interim if there is a material change.
- h. *Other Liabilities* account for the cash receipts set aside for the Budget Stabilization Fund and the Water Residential Assistance Program.
- i. *Liabilities – Long-term* include bonds payable, lease payable, and legacy General Retirement System pension liabilities.
- j. *Net Position Deficit* is defined by accounting standards as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A net deficit occurs when the liabilities and deferred inflows exceed assets and deferred outflows. GLWA's net deficit is largely driven by an increase in depreciation expense because of the increase in the acquisition valuation approach for recording capital asset values in the opening Statement of Net Position on January 2016. Efforts are underway to evaluate the net operating effect of this matter over the long term.

## Statement of Revenues, Expenses and Changes in Net Position – All Funds Combined - Draft

This statement, shown in Table 2, is presented in summary format. The accrual basis of revenues and operations and maintenance expense vary from the revenue requirement basis presented in the *Budget to Actual Analysis* and the *Wholesale Billings, Receivables & Collections* sections of the June 2022 Financial Report Binder. Prior year ending balances are provided in the June 30, 2021 column as a reference for comparative purposes. Explanatory notes follow this statement.

Water revenues presented below in Table 2 differ from those presented in *Table 1A – Water Revenue Requirement Budget* found in the *Budget to Actual Analysis* section of this report because water revenues presented in Table 1A for revenue requirement purposes are reduced by the monthly payment to the City of Flint for a license to raw water rights.

**Table 2 – Statement of Revenues, Expenses and Changes in Net Position  
– All Funds Combined - Draft**  
**For the Twelve Months ended June 30, 2022**  
**(\$000)**

		Percent of Revenue	Sewage Disposal	Percent of Revenue	Total Business- Type Activities	Comparative June 30, 2021
	Water					
<b>Revenue</b>						
Wholesale customer charges	\$ 323,026	93.6%	\$ 268,813	57.0%	\$ 591,840	\$ 589,992
Local system charges	21,697	6.3%	188,662	40.0%	210,360	209,885
Industrial waste charges		0.0%	8,300	1.8%	8,300	8,005
Pollutant surcharges		0.0%	5,182	1.1%	5,182	6,720
Other revenues	236	0.1%	432	0.1%	668	767
<b>Total Revenues</b>	<b>344,960</b>	<b>100.0%</b>	<b>471,389</b>	<b>100.0%</b>	<b>816,349</b>	<b>815,369</b>
<b>Operating expenses</b>						
Operations and Maintenance	130,298	37.8%	194,744	41.3%	325,042	301,740
Depreciation	123,196	35.7%	158,014	33.5%	281,210	274,044
Amortization of intangible assets	3,567	1.0%	440	0.1%	4,006	3,677
<b>Total operating expenses</b>	<b>257,061</b>	<b>74.5%</b>	<b>353,197</b>	<b>74.9%</b>	<b>610,258</b>	<b>579,460</b>
<b>Operating Income</b>	<b>87,899</b>	<b>25.5%</b>	<b>118,192</b>	<b>25.1%</b>	<b>206,091</b>	<b>235,909</b>
<b>Total Nonoperating (revenue) expense</b>	<b>92,382</b>	<b>26.8%</b>	<b>123,184</b>	<b>26.1%</b>	<b>215,565</b>	<b>224,464</b>
Increase/(Decrease) in Net Position	(4,483)	-1.3%	(4,992)	-1.1%	(9,475)	11,445
Net Position (deficit), beginning of year	(97,266)		(112,867)		(210,132)	(221,578)
<b>Net position (deficit), end of year</b>	<b>\$ (101,748)</b>		<b>\$ (117,859)</b>		<b>\$ (219,607)</b>	<b>\$ (210,132)</b>

*Totals may be off due to rounding*

## Water Fund

- ✓ The decrease in Water Fund Net Position is \$4.5 million.
- ✓ Wholesale water customer charges of \$323.0 million account for 93.6% of Water System revenues.
- ✓ Operating expenses of \$257.1 million represent 74.5% of total operating revenue. Depreciation is the largest operating expense at \$123.2 million or 47.9% of operating expense.
- ✓ Amortization of intangible assets represents activity for raw water rights.
- ✓ Operating income after operating expenses (including depreciation) equals \$87.9 million or 25.5% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$78.5 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

## Sewage Disposal Fund

- ✓ The decrease in the Sewage Disposal Fund Net Position is \$5.0 million.
- ✓ Wholesale customer charges of \$268.8 million account for 57.0% of Sewer System revenues. Wholesale customer charges are billed one-twelfth each month based on an agreed-upon historical average “share” of each customer’s historical flows which are formally revisited on a periodic basis. The result is no revenue shortfall or overestimation.
- ✓ Local system (DWSD) charges of \$188.7 million account for 40.0% of total operating revenues. These are also billed at one-twelfth of the annual revenue requirement.
- ✓ Operating expenses of \$353.2 million represent 74.9% of total operating revenue. Depreciation is the largest operating expense at \$158.0 million or 44.7% of total operating expense.
- ✓ Amortization of intangible assets represents activity for a warehouse lease.
- ✓ Operating income after operating expenses (including depreciation) equals \$118.2 million or 25.1% of operating revenue.
- ✓ The largest category within nonoperating activities is bonded debt interest expense of \$91.6 million (this equates to the bonded debt interest expense less the offset from DWSD contractual obligation income).

## Supplemental Schedule of Operations & Maintenance Expenses

### – All Funds Combined - Draft

This Supplemental Schedule of Operations & Maintenance Expenses (O&M) schedule is shown below in Table 3. This accrual basis of operations and maintenance expense may vary from the revenue requirement basis presented in the *Budget to Actual Analysis* section of the June 2022 Financial Report Binder. Explanatory notes follow this schedule.

**Table 3 – Supplemental Schedule of Operations & Maintenance Expenses**  
**– All Funds Combined - Draft**  
**For the Twelve Months ended June 30, 2022**  
**(\$000)**

	Water	Percent of Total	Sewage Disposal	Percent of Total	Total Business-Type Activities		Percent of Total					
					Type	Activities						
<b>Operating Expenses</b>												
Personnel												
Salaries & Wages	21,342	16.4%	53,392	27.4%	74,734	23.0%						
Overtime	5,181	4.0%	2,932	1.5%	8,114	2.5%						
Benefits	16,744	12.9%	7,461	3.8%	24,205	7.4%						
<b>Total Personnel</b>	<b>\$ 43,267</b>	<b>33.2%</b>	<b>\$ 63,786</b>	<b>32.8%</b>	<b>\$ 107,053</b>	<b>32.9%</b>						
<b>Utilities</b>												
Electric	26,502	20.3%	17,253	8.9%	43,755	13.5%						
Gas	1,480	1.1%	7,184	3.7%	8,664	2.7%						
Sewage	740	0.6%	1,828	0.9%	2,568	0.8%						
Water	4	0.0%	4,665	2.4%	4,669	1.4%						
<b>Total Utilities</b>	<b>\$ 28,725</b>	<b>22.0%</b>	<b>\$ 30,930</b>	<b>15.9%</b>	<b>\$ 59,656</b>	<b>18.4%</b>						
<b>Chemicals</b>												
Supplies and other	7,789	6.0%	12,593	6.5%	20,382	6.3%						
Contractual services	8,136	6.2%	20,933	10.7%	29,069	8.9%						
Capital Adjustment	45,812	35.2%	68,589	35.2%	114,402	35.2%						
Capital program allocation	-	0.0%	-	0.0%	-	0.0%						
Intergovernmental Agreement	(1,618)	-1.2%	(1,014)	-0.5%	(2,632)	-0.8%						
Shared services allocation	(187)	-0.1%	(303)	-0.2%	(490)	-0.2%						
<b>Operations and Maintenance Expenses</b>	<b>\$ 130,298</b>	<b>100.0%</b>	<b>\$ 194,744</b>	<b>100.0%</b>	<b>\$ 325,042</b>	<b>100.0%</b>						

*Totals may be off due to rounding*

- ✓ Core expenses for water and sewage disposal systems are utilities (18.4% of total O&M expenses) and chemicals (6.3% of total O&M expenses).
- ✓ Personnel costs (32.9% of total O&M expenses) include all salaries, wages, and benefits for employees as well as staff augmentation contracts that fill a vacant position (contractual transition services).
- ✓ Contractual services (35.2%) includes:
  - Water System costs of sludge removal and disposal services at the Northeast, Southwest and Springwells Water Treatment Plants (approximately \$7.7 million);
  - Sewage Disposal System costs for the operation and maintenance of the biosolids dryer facility (approximately \$16.5 million); and
  - Centralized and administrative contractual costs allocated to both systems for information technology, building maintenance, field, planning and other services.
- ✓ The Capital Program Allocation, Intergovernmental Agreement and Shared Services Allocation are shown as negative amounts because they are 'contra' expense accounts representing offsets to associated costs in other Operations and Maintenance expense categories.

## Supplemental Schedule of Nonoperating Expenses – All Funds Combined - Draft

The Supplemental Schedule of Nonoperating Expenses – All Funds Combined is shown in Table 4. Explanatory notes follow this schedule.

**Table 4 – Supplemental Schedule of Nonoperating Expenses – All Funds Combined - Draft**  
**For the Twelve Months ended June 30, 2022**  
**(\$000)**

	Water	Sewage Disposal	Total Business-type Activities	Comparative June 30, 2021
<b>Nonoperating (Revenue)/Expense</b>				
Interest income contractual obligation	\$ (25,107)	\$ (17,013)	\$ (42,120)	\$ (43,087)
Interest income DWSD Shortfall	-	(145)	(145)	(635)
Investment earnings	(1,946)	(1,842)	(3,788)	(7,040)
Net (incr) decr in fair value of invstmt	4,307	4,865	9,172	5,781
Other nonoperating revenue	(377)	186	(190)	476
Interest Expense				
Bonded debt	103,646	108,638	212,284	218,857
Lease obligation	17,026	20,810	37,836	38,332
Other obligations	4,415	1,662	6,077	6,296
Total interest expense	125,086	131,110	256,197	263,485
Other non-capital expense	-	-	-	-
Memorandum of Understanding	-	-	-	-
Capital Contribution	-	(7,273)	(7,273)	(5,960)
Amortization, issuance costs, debt	(15,610)	2,292	(13,318)	(12,966)
(Gain) loss on disposal of capital assets	(10)	332	322	365
Loss on impairment of capital assets	-	-	-	-
Water Residential Assistance Program	1,050	1,743	2,793	1,517
Legacy pension expense	4,988	8,927	13,915	22,528
<b>Total Nonoperating (Revenue)/Expense</b>	<b>\$ 92,382</b>	<b>\$ 123,184</b>	<b>\$ 215,565</b>	<b>\$ 224,464</b>
<i>Totals may be off due to rounding</i>				

- ✓ Interest income on contractual obligation relates to the portion of the total GLWA debt obligation attributable to DWSD. This interest income offsets the total debt interest expense paid by GLWA on behalf of both entities monthly.
- ✓ Interest income DWSD shortfall represents interest from a budgetary shortfall loan from fiscal years 2016, 2017 and 2018 and is paid in accordance with the 2018 Memorandum of Understanding (MOU).
- ✓ Investment earnings in this report are reflected at book value. Any differences between the Basic Financial report and Cash and Investment section of this Financial Report binder are due to accrued interest. FY 2021 market value

adjustments for Water and Sewer totaled \$1.5 million and \$1.0 million, respectively. FY 2022 market value adjustments for Water and Sewer totaled \$2.8 million and \$3.9 million, respectively.

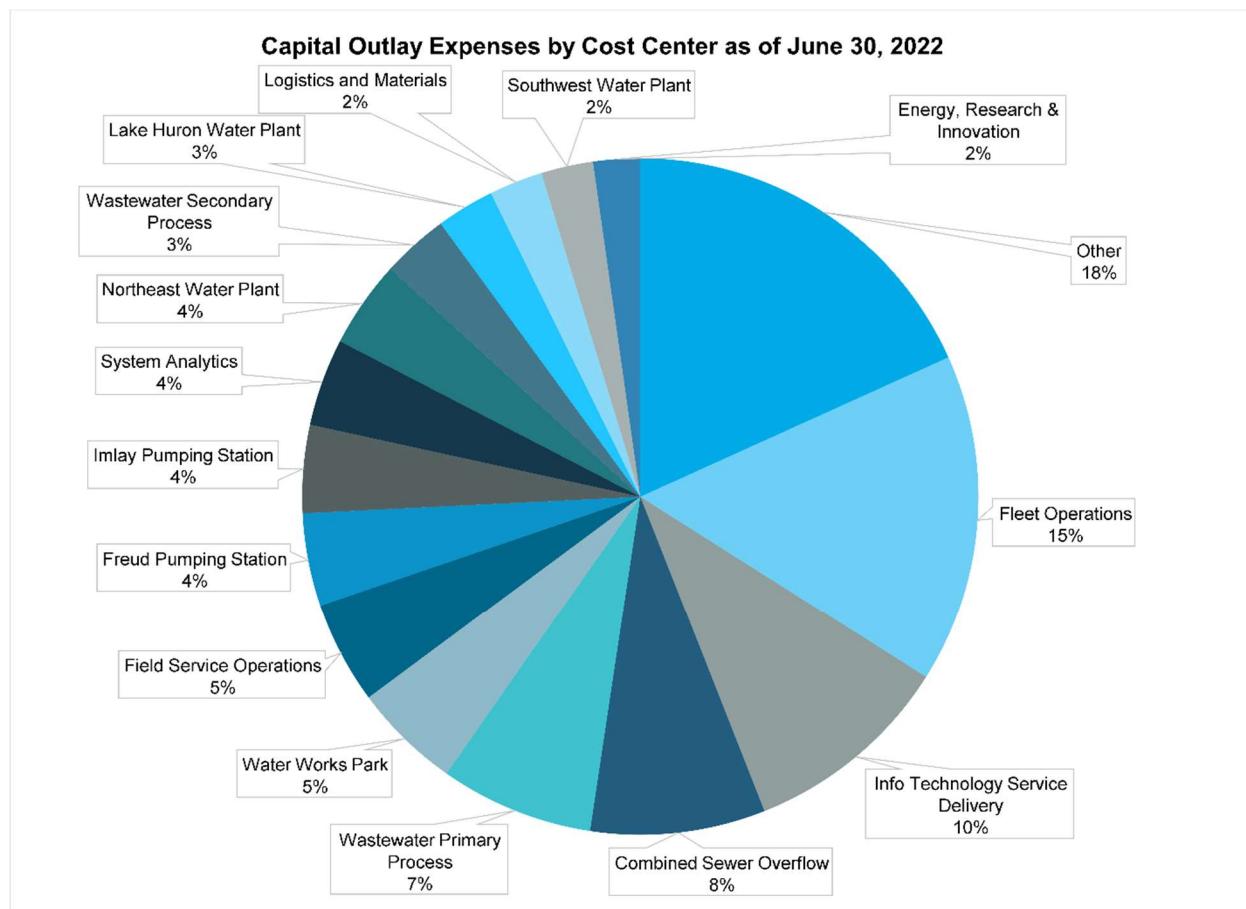
- ✓ Interest expense, the largest category of nonoperating expenses, is made up of three components:
  - Bonded debt;
  - Lease obligation for the regional assets from the City of Detroit; and
  - Other obligations such as an obligation payable to the City of Detroit for an allocation BC Notes related to assumed DWSD liabilities; acquisition of raw water rights related to the KWA Pipeline.
- ✓ The FY 2022 capital contribution in Nonoperating (revenue) expense represents \$0.3 million from DTE for Freud upgrades and \$7.0m from Oakland Macomb Interceptor Drainage District for assets placed in service during FY 2022.
- ✓ The FY 2021 capital contribution in Nonoperating (revenue) expense represents one-half of an \$11.92 million payment made by Oakland Macomb Interceptor Drainage District (OMIDD). The payment was part of an amendment to the OMIDD Wastewater Disposal Services Contract and was split between FY 2020 and FY 2021 based on budgeted revenue requirements for those respective years.

## Financial Activity Charts

### Chart 1 – Capital Outlay – Water and Sewer System Combined

Capital Outlay represents purchases of equipment, software, and small facility improvement projects. It *excludes* any capital investment which is included in the monthly construction work-in-progress report related to the Capital Improvement Program. Some items span several months so the entire cost may not have been incurred yet. In addition, items are capitalized only if they meet GLWA's capitalization policy.

Through June 30, 2022, total capital outlay spend is \$9.4 million. Following this chart is a sample list of projects and purchases from the total spend of \$9.4 million:



**Note:** Due to rounding totals may not equal 100%.

**Water Operations:** Imlay pump station motor (\$359k); 14 Mile Water Main Assessment (\$350k); buoy system (\$178k); high pressure water tank (\$174k); Turbidmeter at Northeast Water Plant (\$173k); Water Works Park furniture (\$132k); multiple pumping

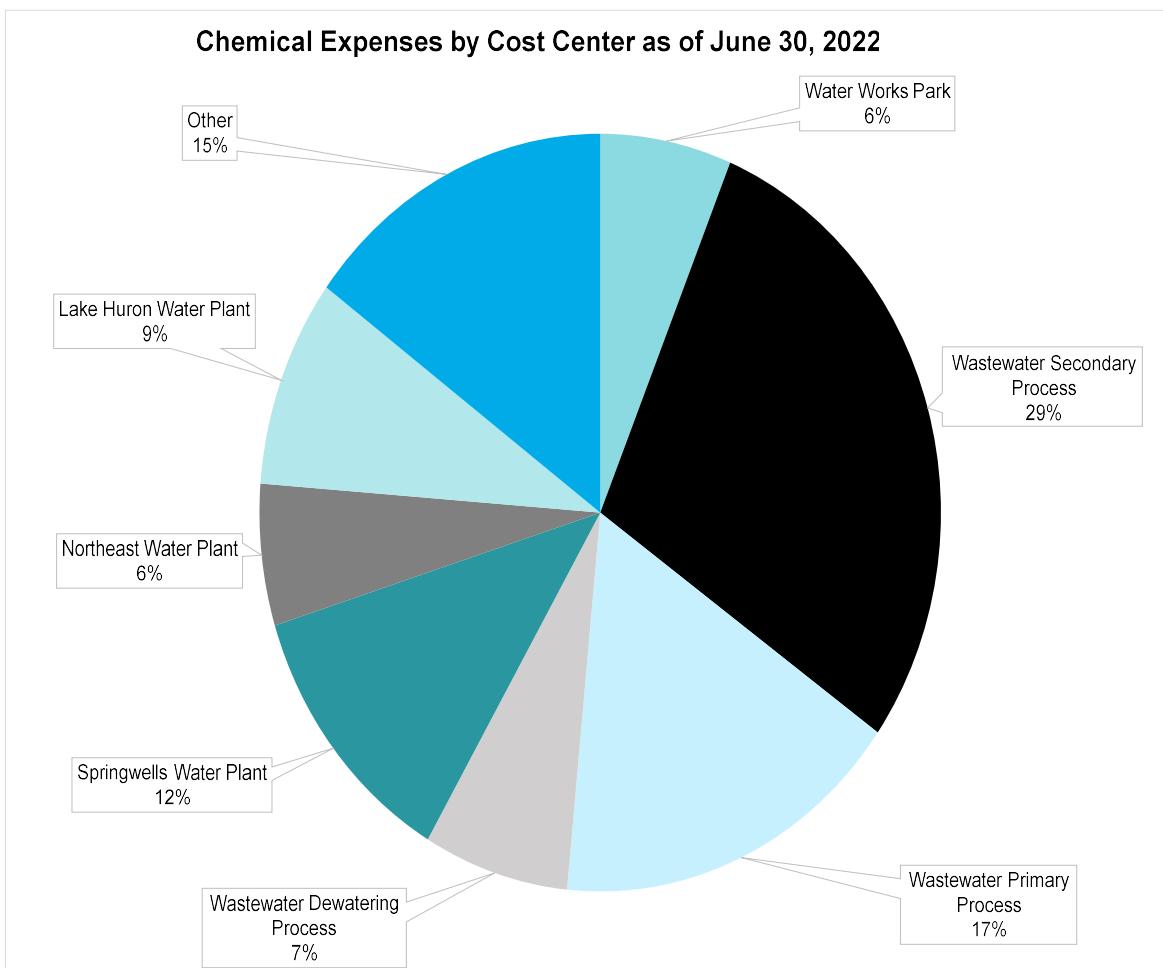
station circuit breakers (\$101k); power inverter (\$85k); slurry feed system (82k) and Southwest Water Plant furniture (\$75k).

**Wastewater Operations:** PQM Meters for CSO Facilities (\$787k); Freud electric backup service installation (\$320k); pull out assembly refurbishment (\$300k); flygt pump (\$182k); B-houses (\$167k); wastewater pump (\$161k); Puritan-Fenkell courtyard/safety improvements (\$146k); Main Lift Pump emergency repair (\$139k); 7 Mile CSO repairs (\$132k); sludge pump (\$97k); water champ (\$65k); Leib CSO accusonic flow meters (\$60k); VFD replacement (\$60k); Freud meter station (\$57k) and rotork repairs (\$50k).

**Centralized & Administrative Facilities:** Trucks and vehicles (\$1.5m); IT computers and hardware (\$845k); sewer meter support (\$393k); IT software (\$248k); Rialto Security (\$240k); IT equipment disposal (\$116k); mag meters (\$101k); chemical monitoring equipment (\$78k) and Water Works Park UPS system (\$76k).

**Chart 2 – Chemical Expenses – Water and Sewer System Combined**

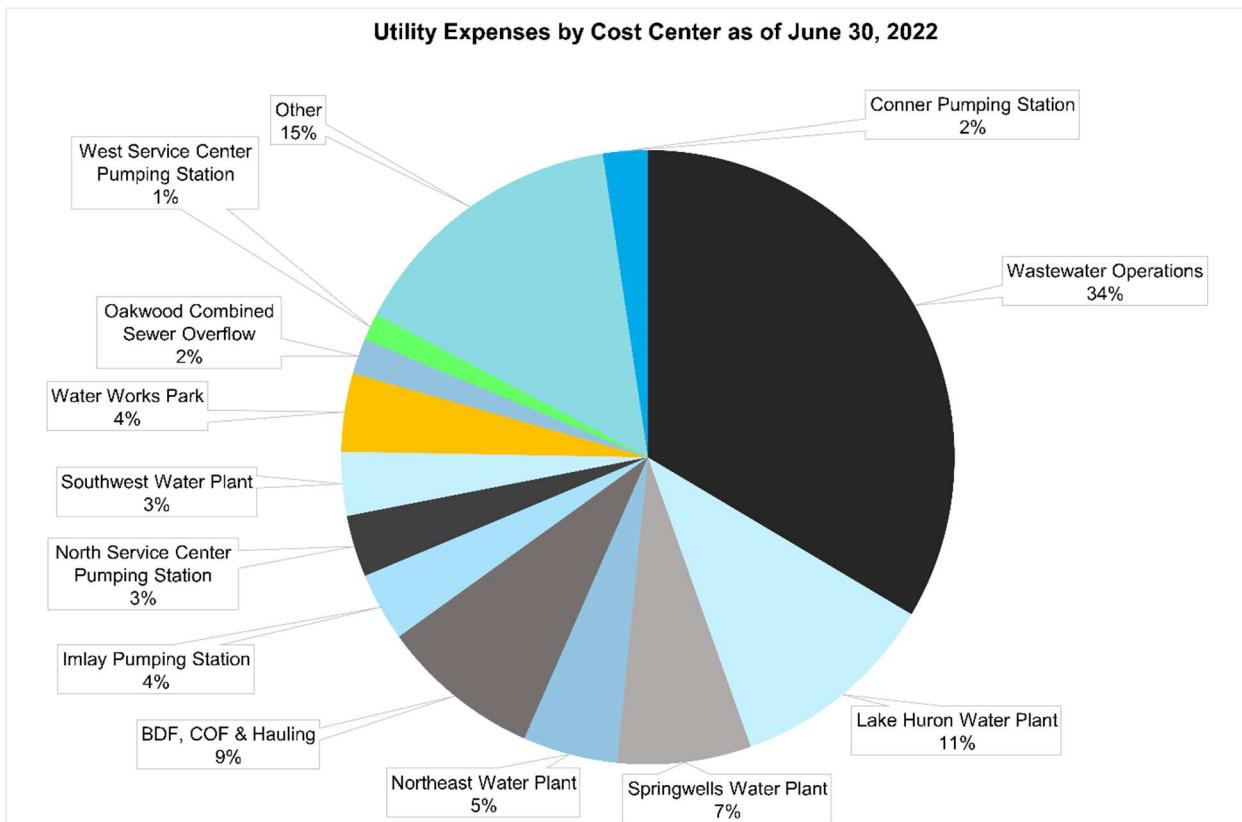
Chemical expenses are \$20.4 million through June 30, 2022. The allocation is shown in the chart below and remains consistent with prior periods.



**Note:** “Other” includes Combined Sewer Overflow (CSO), portions of the Wastewater process and two departments from Water. Due to rounding totals may not equal 100%.

**Chart 3 – Utility Expenses – Water and Sewer System Combined**

Utility expenses are \$59.7 million through June 30, 2022. The allocation is shown in the chart below and consistent with prior periods.



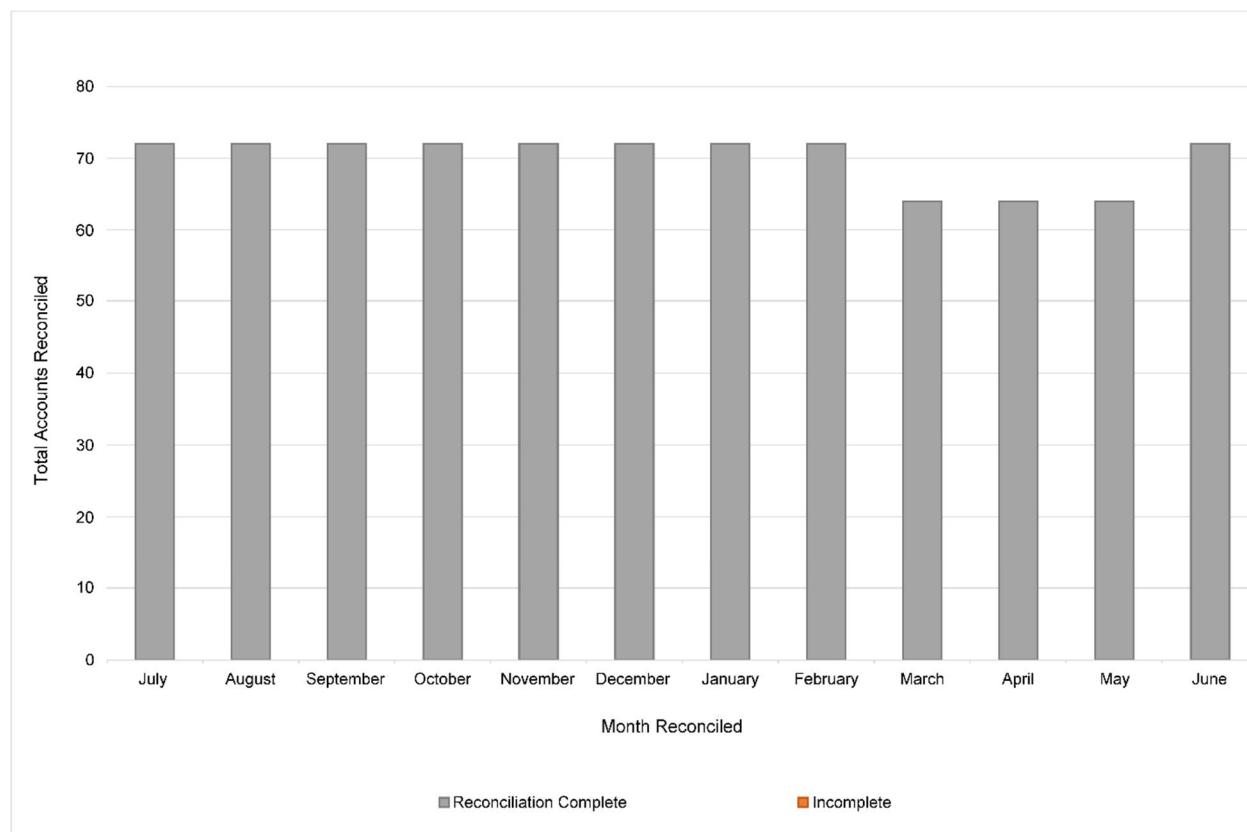
**Note:** Due to rounding totals may not equal 100%.

## Financial Operations KPI

This key performance indicator shown in **Chart 1 – Bank Reconciliation Completion Status** below provides a measure of the progress made in the month-end close process which includes bank reconciliations with a completed status at month end. Through June 30, 2022 all reconciliations are up-to-date and complete.

There was an increase of eight general ledger accounts since May 2022. These new accounts relate to the debt pooling accounts.

### **Chart 1 – Bank Reconciliation Completion Status**



**Table 1 – Fiscal Year 2022 GL Cash Account Rollforward**

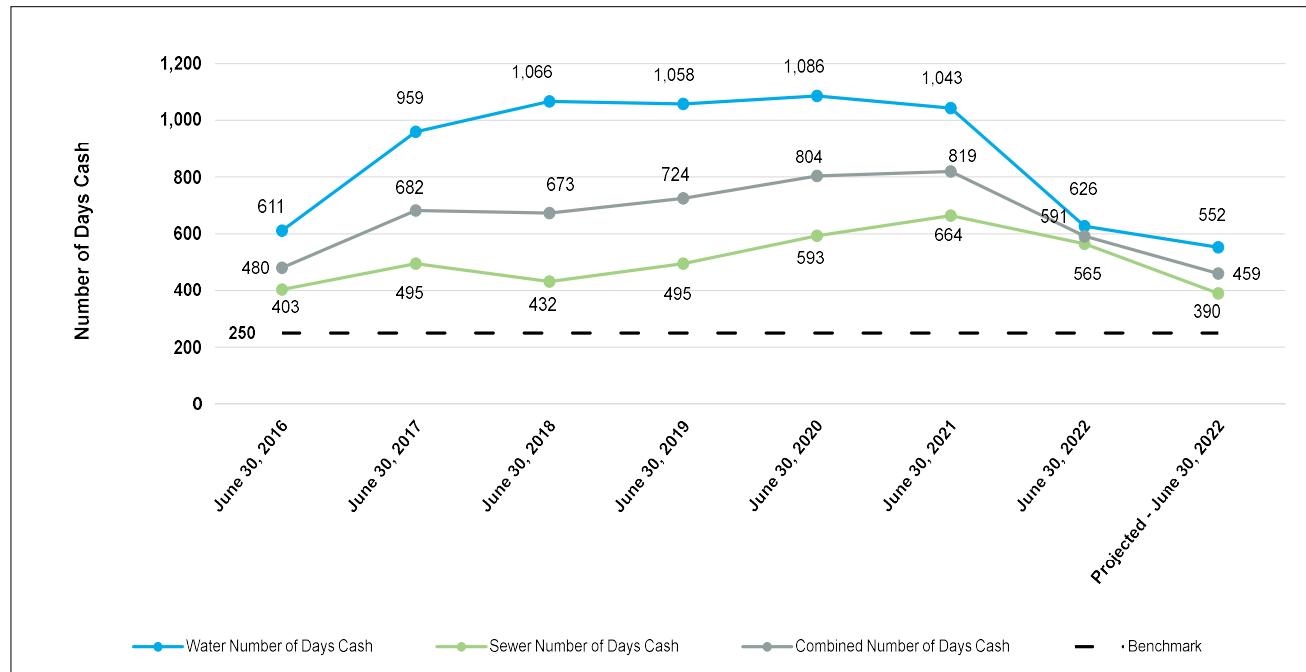
Total GL Cash accounts as of July 1, 2021	72
New GL Cash accounts	10
Inactivated GL Cash accounts	(10)
Total GL Cash accounts as of June 30, 2022	72

## Financial Operations KPI - Liquidity

This key performance indicator shown in **Chart 1 – Historical Schedule of Days Cash on Hand – Liquidity – Regional System** and **Table 1 – Schedule of Days Cash on Hand – Liquidity – Regional System** below provides a measure of a utility's ability to meet expenses, cope with emergencies and navigate business interruptions. Liquidity is one of several key metrics monitored by bond rating agencies reflecting an organization's financial strength. A best practice benchmark for this key performance indicator is greater than 250 days cash on hand as shown by the dashed line in Chart 1 below.

Both GLWA Water and Sewer funds continue to exceed this target with Water at 626 and Sewer at 565 days cash on hand as of June 30, 2022. These balances remain strong for the regional system in large part due to the need to fund CIP projects with I&E funds but drop in the FY 2022 projection as these funds are depleted and GLWA transitions to a planned bond issue. The FY 2022 projection is calculated based on values from the GLWA FY 2022 – 2026 Budget & Five-Year Plan.

### Chart 1 – Historical Schedule of Days Cash on Hand – Liquidity – Regional System



**Note:** The GLWA Annual Comprehensive Financial Reports are the source of all historic data referenced. Refer to these reports for detailed calculations by fiscal year.

**Table 1 – Schedule of Days Cash on Hand – Liquidity – Regional System**

			Projected
	June 30, 2021	June 30, 2022	June 30, 2022
<b>Water Fund</b>			
Cash and Investments - Unrestricted	\$ 353,308,000	\$ 246,965,000	\$ 217,600,000
<b>Operating Expense</b>			
Operating Expense (a)	\$ 250,476,000	\$ 276,400,000	\$ 276,400,000
Less: Depreciation (a)	(123,272,000)	(128,900,000)	(128,900,000)
Less: Amortization of Intangible Asset (a)	(3,567,000)	(3,567,000)	(3,567,000)
Net Operating Expense	\$ 123,638,000	\$ 143,934,000	\$ 143,934,000
<b>Operating Expense per Day</b>	\$ 339,000	\$ 394,000	\$ 394,000
<b>Days Cash</b>			
Number of Days Cash	1,043	626	552
<b>Sewage Disposal Fund</b>			
Cash and Investments - Unrestricted	\$ 323,973,000	\$ 296,940,000	\$ 205,000,000
<b>Operating Expense</b>			
Operating Expense (a)	\$ 328,983,000	\$ 338,709,000	\$ 338,709,000
Less: Depreciation (a)	(150,772,000)	(146,800,000)	(146,800,000)
Less: Amortization of Intangible Asset (a)	(110,000)	-	-
Net Operating Expense	\$ 178,101,000	\$ 191,909,000	\$ 191,909,000
<b>Operating Expense per Day</b>	\$ 488,000	\$ 526,000	\$ 526,000
<b>Days Cash</b>			
Number of Days Cash	664	565	390
<b>Combined</b>			
Cash and Investments - Unrestricted	\$ 677,281,000	\$ 543,905,000	\$ 422,600,000
<b>Operating Expense</b>			
Operating Expense (a)	\$ 579,460,000	\$ 615,109,000	\$ 615,109,000
Less: Depreciation (a)	(274,044,000)	(275,700,000)	(275,700,000)
Less: Amortization of Intangible Asset (a)	(3,677,000)	(3,567,000)	(3,567,000)
Net Operating Expense	\$ 301,740,000	\$ 335,843,000	\$ 335,843,000
<b>Operating Expense per Day</b>	\$ 827,000	\$ 920,000	\$ 920,000
<b>Days Cash</b>			
Number of Days Cash	819	591	459
<i>Totals may be off due to rounding</i>			

(a) Current year expenses are expressed as a proration of the annual budget for the purposes of this metric.

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The Monthly Capital Improvement Plan Financial Summary includes the following.

1. Water System Capital Improvement Plan Spend Incurred to date
2. Sewer System Capital Improvement Plan Spend Incurred to date

## **Capital Improvement Plan Financial Summary**

Great Lakes Water Authority (GLWA) capital improvement projects generally span two or more years due to size and complexity. Therefore, the GLWA Board of Directors adopts a five-year capital improvement plan (CIP). The CIP is a five-year, rolling plan which is updated annually and formally adopted by the GLWA Board of Directors. In addition, the Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established.

This report presents quarterly and monthly CIP spending against the prorated CIP in total and the CIP adjusted for the SRA. The prorated CIP is calculated by dividing the total fiscal year 2022 board-approved CIP plan by twelve equal months. It should be noted that for operational purposes, GLWA utilizes Primavera P6 for refined monthly projections for cash management and project management.

Beginning January 1, 2021, GLWA has intentionally depleted Bond funds and has moved to solely using I&E and State Revolving Loans to fund CIP expenditures to lower the cost of debt. It is expected that the I&E funds will be sufficient to fund the capital program through FY 2022. A bond transaction is planned for the first quarter of FY 2023.

Capital spend reflects a noticeable variance from budgeted CIP for both the water and sewer funds. For the purposes of this metric, we compare actual spend with the Board-approved budget. For the purposes of managing the financial plan, budget amendments are made to align spending with resources available. The fourth quarter FY 2022 budget amendments were approved by the Board to achieve that alignment.

### Chart 1 – Water System Capital Improvement Plan Spend Incurred to Date

As of June 2022, the Water system incurred nearly \$159 million of construction costs to date. This is 89% of the fiscal year 2022 CIP through June and 118% of the financial plan which is labeled as the FY 2022 CIP w/SRA in the chart below.

### ***Chart 1 – Water System Capital Improvement Plan Spend Incurred to Date***



## Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date

As of June 2022, the Sewer system incurred nearly \$71 million of construction costs to date. This is 67% of the fiscal year 2022 CIP through June and 89% of the financial plan which is labeled as the FY 2022 CIP w/SRA in the chart below.

### Chart 2 – Sewer System Capital Improvement Plan Spend Incurred to Date



This report includes the following.

1. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by GLWA
2. Master Bond Ordinance (MBO) Required Transfers to Accounts Held by DWSD

## **MBO Transfers to Accounts Held by GLWA**

**GLWA Transfers:** The Treasury team completes required MBO transfers on the first business day of each month. These transfers are completed in accordance with the Great Lakes Water Authority (GLWA) and Detroit Water & Sewerage Department (DWSD) budgets as approved and adopted by the GLWA Board of Directors and DWSD Board of Water Commissioners annually.

Monthly transfers for Operations & Maintenance (O&M), Pension, and Water Residential Assistance Program (WRAP) are one-twelfth of the annual, budgeted amount. Budget stabilization should not require additional funding due to new, baseline funding levels established as part of the June 2018 Memorandum of Understanding but is included to reflect historical activity. Transfers to the Extraordinary Repair & Replacement (ER&R) fund are completed annually based on budget and year-end fund status.

**Table 1 – GLWA FY 2022 Water MBO Transfers** reflects the required transfers for FY 2022 completed through June 1, 2022. MBO transfers for water totaling \$163.1 million have been transferred to GLWA accounts.

**Table 2 – GLWA FY 2022 Sewer MBO Transfers** reflects the required transfers for FY 2022 completed through June 1, 2022. MBO transfers for sewer totaling \$221.3 million have been transferred to GLWA accounts.

**Table 3 – GLWA MBO Transfer History** reflects historical transfers for FY 2016 through FY 2022 to date.

**Table 1 – GLWA FY 2022 Water MBO Transfers**

	WATER					Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP				
<b>FY 2022</b>								
July 2021	\$ 11,994,483	\$504,000	\$921,308	\$198,050	-	-	-	\$13,617,841
August 2021	11,994,483	504,000	921,308	198,050	-	-	-	13,617,841
September 2021	11,994,483	504,000	831,488	198,050	-	-	-	13,528,021
October 2021	11,994,483	504,000	921,308	198,050	-	-	-	13,617,841
November 2021	11,994,483	504,000	861,308	198,050	-	-	-	13,557,841
December 2021	11,994,483	504,000	891,308	198,050	-	-	-	13,587,841
January 2022	11,994,483	504,000	891,308	198,050	-	-	-	13,587,841
February 2022	11,994,483	504,000	891,308	198,050	-	-	-	13,587,841
March 2022	11,994,483	504,000	891,308	198,050	-	-	-	13,587,841
April 2022	11,994,483	504,000	891,308	198,050	-	-	-	13,587,841
May 2022	11,994,483	504,000	891,308	198,050	-	-	-	13,587,841
June 2022	11,994,487	504,000	891,132	198,050	-	-	-	13,587,669
<b>Total FY 2022</b>	<b>\$ 143,933,800</b>	<b>\$6,048,000</b>	<b>\$10,695,700</b>	<b>\$2,376,600</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>\$163,054,100</b>

**Table 2 – GLWA FY 2022 Sewer MBO Transfers**

	SEWER					Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP				
<b>FY 2022</b>								
July 2021	\$ 15,108,317	\$902,000	\$1,223,950	\$322,392	-	-	-	\$17,556,659
August 2021	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
September 2021	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
October 2021	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
November 2021	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
December 2021	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
January 2022	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
February 2022	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
March 2022	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
April 2022	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
May 2022	15,108,317	902,000	1,223,950	322,392	-	-	-	17,556,659
June 2022	15,108,313	902,000	1,223,950	\$322,388	-	-	-	17,556,651
June 2022*	10,608,800	-	-	-	-	-	-	10,608,800
<b>Total FY 2022</b>	<b>\$191,908,600</b>	<b>\$10,824,000</b>	<b>\$14,687,400</b>	<b>\$3,868,700</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>\$221,288,700</b>

\*A second O&M transfer occurred in June 2022 following the approval of the 4<sup>th</sup> Quarter Budget amendments to align final budgeted transfers with actual transfers.

**Table 3 – GLWA MBO Transfer History**

GLWA MBO Transfer History							
WATER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Water
Total FY 2016	\$71,052,000	\$6,037,100	\$10,297,200	\$1,983,300	\$2,326,900	\$606,000	\$92,302,500
Total FY 2017	111,879,600	6,037,200	10,297,200	2,077,200	360,000	-	130,651,200
Total FY 2018	121,562,604	6,048,000	10,695,696	2,159,400	-	-	140,465,700
Total FY 2019	121,562,604	6,048,000	10,695,696	2,061,000	-	-	140,367,300
Total FY 2020	126,840,204	6,048,000	10,695,683	1,980,804	-	-	145,564,691
Total FY 2021	134,127,300	6,048,000	10,695,700	2,324,200	-	-	153,195,200
Total FY 2022 (12 months)	143,933,800	6,048,000	10,695,700	2,376,600	-	-	163,054,100
<b>Life to Date</b>	<b>\$830,958,112</b>	<b>\$42,314,300</b>	<b>\$74,072,875</b>	<b>\$14,962,504</b>	<b>\$2,686,900</b>	<b>\$606,000</b>	<b>\$965,600,691</b>
SEWER							
	Operations & Maintenance	Pension Sub Account	Pension Obligation	WRAP	Budget Stabilization (For Benefit of DWSD)	Extraordinary Repair & Replacement (ER&R)	Total Sewer
Total FY 2016	\$100,865,600	\$10,838,400	\$14,025,800	\$2,523,400	\$5,591,700	\$779,600	\$134,624,500
Total FY 2017	175,858,800	10,838,400	14,026,800	2,654,400	2,654,400	-	206,032,800
Total FY 2018	191,079,396	10,824,000	14,687,496	2,760,804	-	-	219,351,696
Total FY 2019	191,079,396	10,824,000	14,687,496	2,870,992	-	-	219,461,884
Total FY 2020	181,925,800	10,824,000	14,687,517	2,887,300	-	-	210,324,617
Total FY 2021	182,296,000	10,824,000	14,687,500	3,764,300	-	-	211,571,800
Total FY 2022 (12 months)	191,908,600	10,824,000	14,687,400	3,868,700	-	-	221,288,700
<b>Life to Date</b>	<b>\$1,215,013,592</b>	<b>\$75,796,800</b>	<b>\$101,490,009</b>	<b>\$21,329,896</b>	<b>\$8,246,100</b>	<b>\$779,600</b>	<b>\$1,422,655,997</b>

## MBO Required and Lease Payment Transfers to DWSD

**DWSD Transfers:** The GLWA Treasury team completes the required MBO transfers on the first business day of each month. These transfers are completed in accordance with the GLWA and DWSD budgets as approved and adopted by the GLWA Board of Directors and DWSD Board of Water Commissioners annually. Transfers are coordinated with other areas of GLWA Financial Services in advance of the first business day of each month. GLWA Treasury sends confirmation of transfers made to DWSD Treasury.

Monthly transfers for O&M and O&M Pension are one-twelfth of the annual, budgeted amount. The annual lease payment, as stated in the Water & Sewer Lease Agreements, is \$22,500,000 for Water and \$27,500,000 for Sewer. The monthly lease transfer is one-twelfth of the amount as stated in the Lease agreements unless otherwise designated by DWSD. Per Section 3.5 of the Lease, the Lease payment may be used for (a) bond principal and interest for Local System Improvements, (b) bond principal and interest for the City's share of common-to-all System Improvements, and (c) Local System improvements.

**Table 4 – DWSD FY 2022 Water MBO Transfers** reflects the required transfers for FY 2022 completed through June 1, 2022. MBO transfers for Water totaling \$47.8 million have been transferred to accounts held by DWSD. For FY 2022, DWSD originally requested that \$6,690,600 of the lease payment be utilized to offset a portion of debt service. Beginning with the October transfers, DWSD amended budget required an additional portion of the lease payment be directed to offset debt service. Additionally, corrections were made to the MBO transfer calculations which resulted in a change in the amounts transferred to I&E for May and June.

**Table 5 – DWSD FY 2022 Sewer MBO Transfers** reflects the required transfers for FY 2022 completed through June 1, 2022. MBO transfers for Sewer totaling \$86.1 million have been transferred to accounts held by DWSD. For FY 2022, DWSD has requested that \$5,529,300 of the lease payment be utilized to offset a portion of debt service. Additionally, corrections were made to the MBO transfer calculations which resulted in a change in the amounts transferred to I&E for May and June.

**Table 6 – DWSD Water MBO and Lease Payment Transfer History** reflects historical transfers for FY 2016 through FY 2022 to date.

**Table 7 – DWSD Sewer MBO and Lease Payment Transfer History** reflects historical transfers for FY 2016 through FY 2022 to date.

**Table 4 – DWSD FY 2022 Water MBO Transfers**

WATER				
	<u>Operations &amp; Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&amp;E Fund)</u>	<u>Total Water</u>
<b>FY 2022</b>				
July 2021	\$2,887,383	\$356,000	\$1,317,450	\$4,560,833
August 2021	2,887,383	356,000	1,317,450	4,560,833
September 2021	2,887,383	356,000	1,317,450	4,560,833
October 2021	2,369,650	356,000	479,983	3,205,633
November 2021	2,369,650	356,000	479,983	3,205,633
December 2021	2,369,650	356,000	479,983	3,205,633
January 2022	2,369,650	356,000	479,983	3,205,633
February 2022	2,369,650	356,000	479,983	3,205,633
March 2022	2,369,650	356,000	479,983	3,205,633
April 2022	2,369,650	356,000	479,983	3,205,633
April 2022*	-	-	3,999,936	3,999,936
May 2022	2,369,650	356,000	1,131,217	3,856,867
June 2022	2,369,651	356,000	1,131,216	3,856,867
<b>Total FY 2022</b>	<b>\$29,989,000</b>	<b>\$4,272,000</b>	<b>\$13,574,600</b>	<b>\$47,835,600</b>

**Table 5 – DWSD FY 2022 Sewer MBO Transfers**

SEWER				
	<u>Operations &amp; Maintenance</u>	<u>Pension</u>	<u>Lease Payment (I&amp;E Fund)</u>	<u>Total Sewer</u>
<b>FY 2022</b>				
July 2021	\$5,769,417	\$238,000	\$2,291,667	\$8,299,084
August 2021	5,769,417	238,000	2,291,667	8,299,084
September 2021	5,769,417	238,000	2,291,667	8,299,084
October 2021	4,888,083	238,000	2,291,667	7,417,750
November 2021	4,888,083	238,000	2,291,667	7,417,750
December 2021	4,888,083	238,000	2,291,667	7,417,750
January 2022	4,888,083	238,000	2,291,667	7,417,750
February 2022	4,888,083	238,000	2,291,667	7,417,750
March 2022	4,888,083	238,000	2,291,667	7,417,750
April 2022	4,888,083	238,000	2,291,667	7,417,750
April 2022*	-	-	(4,607,750)	(4,607,750)
May 2022	4,888,083	238,000	1,830,892	6,956,975
June 2022	4,888,085	238,000	1,830,891	6,956,976
<b>Total FY 2022</b>	<b>\$61,301,000</b>	<b>\$2,856,000</b>	<b>\$21,970,703</b>	<b>\$86,127,703</b>

**Table 6 – DWSD Water MBO and Lease Payment Transfer History**

	Transfers to DWSD			
	WATER			
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Water
<b>FY 2016 *</b>				
MBO/Lease Requirement	\$26,185,600	\$4,262,700	\$22,500,000	\$52,948,300
Offset to Debt Service	-	-	(2,326,900)	(2,326,900)
Net MBO Transfer	26,185,600	4,262,700	20,173,100	50,621,400
<b>FY 2017</b>				
MBO/Lease Requirement	33,596,400	4,262,400	22,500,000	60,358,800
Offset to Debt Service	-	-	-	-
Net MBO Transfer	33,596,400	4,262,400	22,500,000	60,358,800
<b>FY 2018</b>				
MBO/Lease Requirement	35,059,704	4,272,000	22,500,000	61,831,704
Offset to Debt Service	-	-	(1,875,000)	(1,875,000)
Net MBO Transfer	35,059,704	4,272,000	20,625,000	59,956,704
<b>FY 2019</b>				
MBO/Lease Requirement	35,484,300	4,272,000	22,500,000	62,256,300
Offset to Debt Service	-	-	(3,972,200)	(3,972,200)
Net MBO Transfer	35,484,300	4,272,000	18,527,800	58,284,100
<b>FY 2020</b>				
MBO/Lease Requirement	34,662,400	4,272,000	22,500,000	61,434,400
Offset to Debt Service	-	-	(3,548,000)	(3,548,000)
Net MBO Transfer	34,662,400	4,272,000	18,952,000	57,886,400
<b>FY 2021</b>				
MBO/Lease Requirement	35,833,900	4,272,000	22,500,000	62,605,900
Offset to Debt Service	-	-	(8,278,300)	(8,278,300)
Net MBO Transfer	35,833,900	4,272,000	14,221,700	54,327,600
<b>FY 2022 (12 months)</b>				
MBO/Lease Requirement	29,989,000	4,272,000	22,500,000	56,761,000
Offset to Debt Service	-	-	(8,925,400)	(8,925,400)
Net MBO Transfer	29,989,000	4,272,000	13,574,600	47,835,600
<b>Life-to-Date</b>				
MBO/Lease Requirement	230,811,304	29,885,100	157,500,000	418,196,404
Offsets	-	-	(28,925,800)	(28,925,800)
<b>Total Water</b>	<b>230,811,304</b>	<b>29,885,100</b>	<b>128,574,200</b>	<b>389,270,604</b>

**Table 7 – DWSD Sewer MBO and Lease Payment Transfer History**

SEWER				
	Operations & Maintenance	Operations & Maintenance Pension	Lease Payment (I&E Fund)	Total Sewer
<b>FY 2016 *</b>				
MBO/Lease Requirement	\$19,774,300	\$2,861,800	\$27,500,000	\$50,136,100
Offset to Debt Service	-	-	(19,991,500)	(19,991,500)
Total MBO Transfer	19,774,300	2,861,800	7,508,500	30,144,600
<b>FY 2017</b>				
MBO/Lease Requirement	41,535,600	2,862,000	27,500,000	71,897,600
Offset to Debt Service	-	-	-	-
Total MBO Transfer	41,535,600	2,862,000	27,500,000	71,897,600
<b>FY 2018</b>				
MBO/Lease Requirement	60,517,992	2,856,000	27,500,000	90,873,992
Offset to Debt Service	-	-	(9,166,664)	(9,166,664)
Total MBO Transfer	60,517,992	2,856,000	18,333,336	81,707,328
<b>FY 2019</b>				
MBO/Lease Requirement	56,767,920	2,856,000	27,500,000	87,123,920
Offset to Debt Service	-	-	(4,415,000)	(4,415,000)
Total MBO Transfer	56,767,920	2,856,000	23,085,000	82,708,920
<b>FY 2020</b>				
MBO/Lease Requirement	62,343,500	2,856,000	27,500,000	92,699,500
Offset to address shortfall	(7,100,000)	-	-	(7,100,000)
Offset to Debt Service	-	-	(5,032,700)	(5,032,700)
Total MBO Transfer	55,243,500	2,856,000	22,467,300	80,566,800
<b>FY 2021</b>				
MBO/Lease Requirement	69,915,700	2,856,000	27,500,000	100,271,700
Offset to Debt Service	-	-	(3,257,200)	(3,257,200)
Total MBO Transfer	69,915,700	2,856,000	24,242,800	97,014,500
<b>FY 2022 (12 months)</b>				
MBO/Lease Requirement	61,301,000	2,856,000	26,578,453	90,735,453
Offset to Debt Service	-	-	(4,607,750)	-
Total MBO Transfer	61,301,000	2,856,000	21,970,703	86,127,703
<b>Life-to-Date</b>				
MBO/Lease Requirement	372,156,012	20,003,800	191,578,453	583,738,265
Offsets	(7,100,000)	-	(46,470,814)	(48,963,064)
<b>Total Sewer</b>	<b>365,056,012</b>	<b>20,003,800</b>	<b>145,107,639</b>	<b>530,167,451</b>

\* Note: FY 2016 lease transfer amounts shown do not include prepayment on the lease amount for the 6 months period before bifurcation.

This report includes the following:

1. Monthly Cash Balances Compared to Investment Income
2. Cash Balance Detail

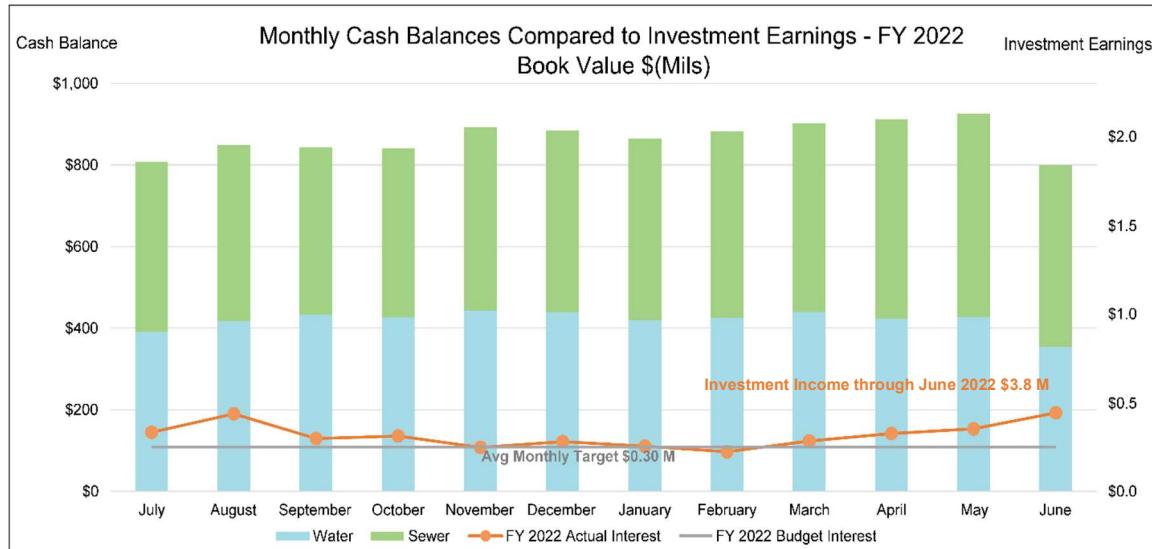
## Monthly Cash Balances Compared to Investment Income

GLWA's investment holdings comply with the requirements of Public Act 20 of 1948, as amended and the GLWA Investment Policy. The cash balances shown in this report include bank deposits, money market funds, a local government investment pool, U.S. Treasuries, Federal Agencies, and commercial paper.

Cash and investment balances change each month based on Master Bond Ordinance (MBO) funding requirements, operational needs, capital spending pace, and mandatory debt payments. Investment income fluctuates monthly based on cash and investment balances as well as market conditions and investment strategy. For the month of June 2022, GLWA earned investment income of \$0.4 million and the cumulative FY 2022 earnings through June 2022 is \$3.8 million. Total investment income reported includes earnings from revenue requirement funds as well as construction bond funds.

GLWA continues to refine cash flows and work with its investment advisor to identify strategies to maximize future investment income while meeting the objectives of safety and liquidity.

### Chart 1 – Monthly Cash Balances Compared to Investment Income – Through June 2022



\$(Mils)	July	August	September	October	November	December	January	February	March	April	May	June
Water	\$391	\$416	\$433	\$426	\$443	\$439	\$418	\$425	\$440	\$423	\$427	\$353
Sewer	\$417	\$432	\$410	\$414	\$450	\$445	\$446	\$458	\$463	\$488	\$499	\$446
Total	\$808	\$848	\$844	\$840	\$893	\$884	\$864	\$883	\$902	\$911	\$925	\$799
Investment Income	\$0.3	\$0.4	\$0.3	\$0.3	\$0.2	\$0.3	\$0.3	\$0.2	\$0.3	\$0.3	\$0.4	\$0.4

## Cash Balance Detail

**Funds Held By GLWA:** GLWA cash balances are held in accounts as defined by the Master Bond Ordinance. The accounts are funded by monthly transfers, as stipulated in the MBO, on the first business day of each month. The “operations and maintenance” (O&M) fund transfer amounts are based upon the annual O&M budget approved by the GLWA Board of Directors for the regional systems and by the Board of Water Commissioners for the Detroit Water & Sewerage Department (DWSD) local system budgets. The water and sewer funds held by GLWA and their purpose, as defined by the MBO, are listed below.

**Funds Held Within Trust:**

- Receiving – all retail and wholesale revenues collected which are distributed in subsequent month(s)
- Debt Service – funds set aside for debt service and debt reserve requirements
- Pension Obligation – funds set aside to meet GLWA’s annual funding requirements for the legacy General Retirement System Pension Plan
- Water Residential Assistance Program (WRAP) – funds set aside to be used to provide financial assistance to qualified residents throughout the local and regional water system as directed by program guidelines
- Budget Stabilization – funds held by GLWA on behalf of DWSD that can be applied against shortfalls in retail revenues
- Emergency Repair & Replacement (ER&R) – funds set aside to pay the costs for major unanticipated repairs and replacements of the local and regional systems
- Improvement & Extension (I&E) – funds set aside to be used for the improvements, enlargements, and extensions of the regional system

**Funds Held Outside Trust:**

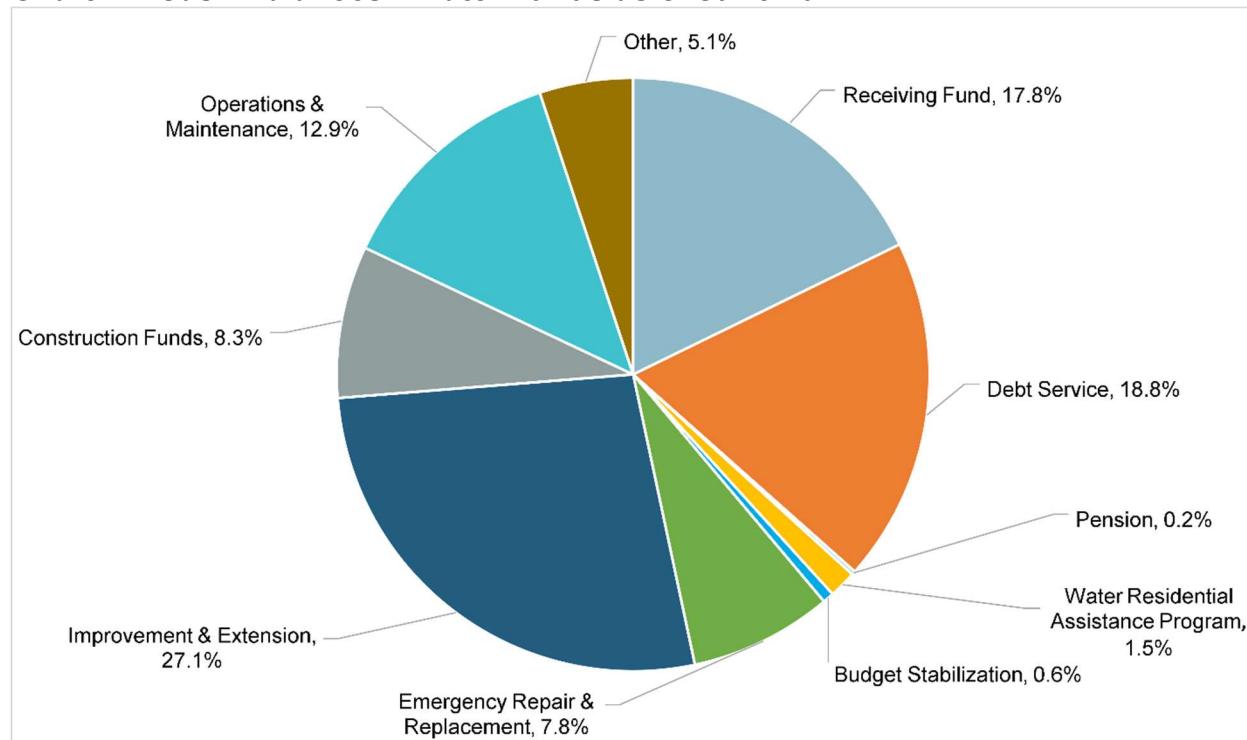
- Bond Proceeds – funds raised from debt issuance used for costs of repairs, construction, and improvements of the regional system
- Operations & Maintenance (O&M) – funds used to meet the operational and maintenance requirements of the regional system
- Other – retainage funds held on behalf of contractors and security deposit funds held on behalf of the City of Flint

A [chart](#) depicting the follow of funds is online at [glwater.org](http://glwater.org) as well as the [MBO](#) documents.

**Chart 2 – Cash Balances - Water Funds as of June 2022** - Shows the allocation of the balance among the different categories defined in the section above. The total cash balance for Water Funds as of June 30, 2022 is \$353 million. The allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

It should be noted existing proceeds from revenue bonds are depleted. This means that all capital projects will now be funded with Improvement & Extension (I&E) funds, except for SRF funded projects. It is expected that the I&E funds supplemented with SRF low-interest loan funding will be sufficient to fund the capital program through FY 2022. A bond transaction is currently planned for the first quarter of FY 2023.

**Chart 2 – Cash Balances - Water Funds as of June 2022**

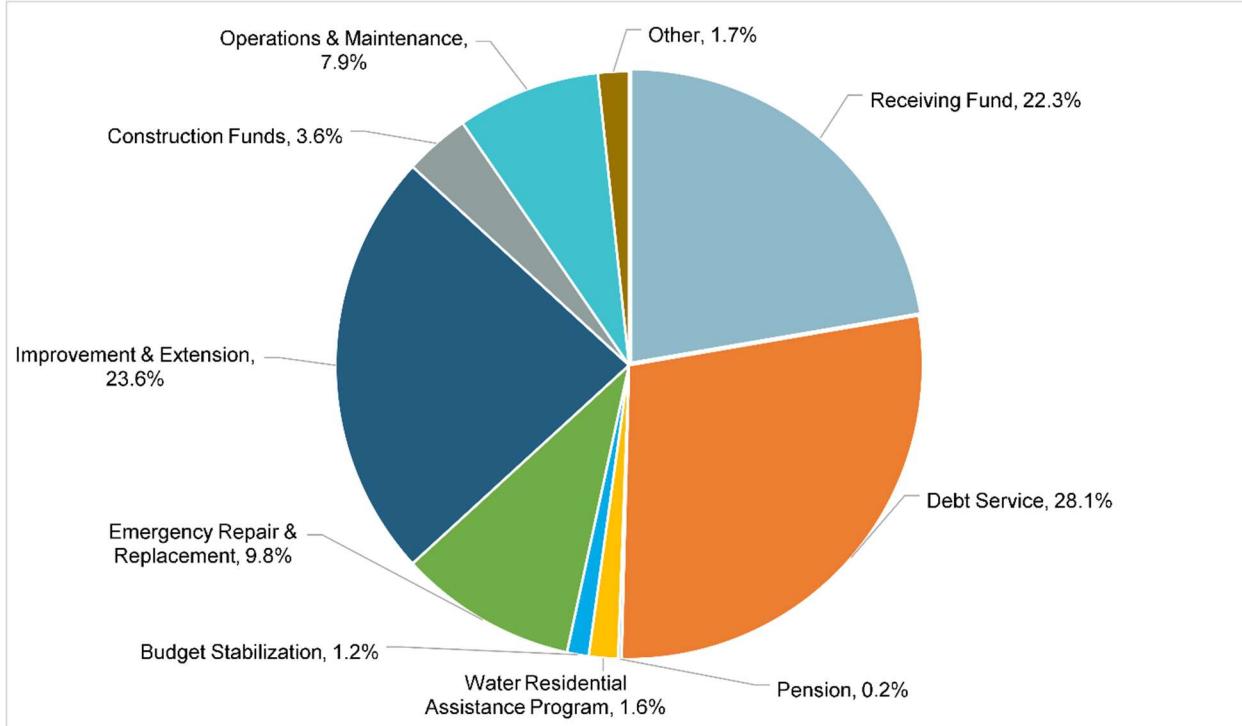


**Note:** Due to rounding totals may not equal 100%.

**Chart 3 – Cash Balances - Sewer Funds as of June 2022** - Shows the allocation of the balance among the different funds defined in the section above. The total cash balance for Sewer Funds as of June 30, 2022 is \$446 million. Like the Water Funds, the allocation of balances among the I&E, bond proceeds, and debt service reserve funds reflects GLWA's commitment to funding capital improvements and meeting debt reserve requirements while simultaneously increasing I&E resources to fund pay-as-you-go capital funding to reduce long-term debt in the future.

It should be noted existing proceeds from revenue bonds are depleted. This means that all capital projects will now be funded with Improvement & Extension (I&E) funds, except for SRF funded projects. It is expected that the I&E funds supplemented with SRF low-interest loan funding will be sufficient to fund the capital program through FY 2022. A bond transaction is currently planned for the first quarter of FY 2023.

**Chart 3 – Cash Balances - Sewer Funds as of June 2022**



**Note:** Due to rounding totals may not equal 100%.

**Retail Revenues, Receivables, and Collections:** Pursuant to the terms of the lease agreement between the City of Detroit and the Great Lakes Water Authority (GLWA), the Detroit Water & Sewerage Department (DWSD) serves as GLWA's agent for billing activities for the City of Detroit retail customer class. All water and sewer service collections from DWSD customers are deposited in a trust account and are administered in accordance with the GLWA Master Bond Ordinance.

The Monthly Retail Revenues, Receivables, & Collections Report includes the following.

1. DWSD Retail Water Revenue Billings and Collections
2. DWSD Retail Sewer Revenue Billings and Collections
3. DWSD Retail Water & Sewer System Accounts Receivable Aging Report

**Note:** *Wholesale customer revenues are billed by the Great Lakes Water Authority.*

## **DWSD Retail Water Billings and Collections**

**Retail Billing Basis:** DWSD bills retail customers monthly. Customers are billed throughout the month in cycles based on a meter reading schedule beginning with residential accounts and ending with commercial and industrial customers.

**Table 1 - DWSD Retail Billings** shows the FY 2022 water usage and billed revenue which are provided by DWSD staff. As of June 30, 2022, the DWSD usage was at 109.41% of the budget and billed revenue was at 100.90% of budget.

**DWSD Retail Water Collections:** The collections represent payments made by DWSD retail customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

**Table 2 - Retail Water Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

**Table 1 – DWSD Retail Water Billing**

RETAIL WATER CUSTOMERS									
Month (1)	FY 2022 - Original Budget		FY 2022 - Actual		FY 2022 - Variance		FY 2021 - Actuals		
	Volume Mcf	Revenue \$	Volume Mcf	Revenue (2) \$	Volume Mcf	Revenue \$	Volume Mcf	Revenue \$	
July	245,000	9,963,800	266,704	10,064,683	21,704	100,883	265,796	9,747,518	
August	235,000	9,697,500	264,644	9,994,589	29,644	297,089	250,308	9,378,385	
September	210,000	9,032,500	232,348	9,169,300	22,348	136,800	218,840	8,544,457	
October	195,000	8,633,500	204,290	8,422,092	9,290	(211,408)	197,362	7,978,833	
November	195,000	8,633,500	209,830	8,544,611	14,830	(88,889)	194,648	7,952,436	
December	195,000	8,633,500	204,072	8,442,152	9,072	(191,348)	197,125	7,985,955	
January	190,000	8,500,500	221,369	8,819,430	31,369	318,930	190,289	7,827,536	
February	190,000	8,500,500	204,489	8,438,300	14,489	(62,200)	191,180	7,895,496	
March	200,080	8,768,700	233,190	9,221,716	33,110	453,016	205,631	8,242,563	
April	210,000	9,032,500	192,495	8,305,331	(17,505)	(727,169)	214,288	8,438,333	
May	210,000	9,032,500	245,471	9,530,928	35,471	498,428	214,232	8,519,154	
June	240,000	9,830,500	272,811	10,281,954	32,811	451,454	243,301	9,249,694	
<b>Total</b>	<b>2,515,080</b>	<b>108,259,500</b>	<b>2,751,713</b>	<b>109,235,086</b>	<b>236,633</b>	<b>975,586</b>	<b>2,583,000</b>	<b>101,760,360</b>	
<b>Subtotals ytd</b>	<b>2,515,080</b>	<b>108,259,500</b>	<b>2,751,713</b>	<b>109,235,086</b>	<b>236,633</b>	<b>975,586</b>			
<i>Achievement of Budget</i>		109.41%	100.90%						

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Retail Revenues include Miscellaneous Revenues and Penalties

**Table 2 – DWSD Retail Water Collections**

Water				
Month	Current Year	Prior Year	Variance	Ratio
July	8,387,705	8,017,490	370,215	4.62%
August	8,588,507	7,135,456	1,453,051	20.36%
September	8,041,683	9,031,966	(990,283)	-10.96%
October	8,512,614	9,079,199	(566,585)	-6.24%
November	7,926,331	10,803,009	(2,876,678)	-26.63%
December	8,121,586	7,409,888	711,698	9.60%
January	6,919,040	7,884,889	(965,849)	-12.25%
February	10,156,126	6,426,553	3,729,573	58.03%
March	11,093,125	8,458,827	2,634,298	31.14%
April	7,431,900	7,536,272	(104,372)	-1.38%
May	7,660,852	7,365,204	295,648	4.01%
June	9,123,179	8,917,831	205,348	2.30%
<b>Rolling, 12-Month Total</b>	<b>101,962,648</b>	<b>98,066,584</b>		
<b>Rolling, 12-Month Average</b>	<b>8,496,887</b>	<b>8,172,215</b>		

## DWSD Retail Sewer Billings and Collections

**Retail billing basis:** DWSD bills retail customers monthly. Customers are billed throughout the month in cycles based on a meter reading schedule beginning with residential accounts and ending with commercial and industrial customers.

**Table 3 - DWSD Retail Sewer Billings** shows the FY 2022 sewer billed revenue which are provided by DWSD staff. As of June 30, 2022, the DWSD usage was at 104.48% of the budget and billed revenue was at 99.98% of budget.

**DWSD Retail Sewer Collections:** The collections represent payments made by DWSD retail customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

**Table 4 – DWSD Retail Sewer Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

**Table 3 - DWSD Retail Sewer Billings**

Month (1)	RETAIL SEWER CUSTOMERS							
	FY 2022 - Original Budget		FY 2022 - Actual		FY 2022 - Variance		FY 2021 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	McF	\$	McF	\$	McF	\$	McF	\$
July	233,100	30,779,300	219,791	29,462,804	(13,309)	(1,316,496)	252,929	29,802,377
August	225,700	30,357,000	249,522	31,231,624	23,822	874,624	240,390	29,261,344
September	198,500	28,805,000	215,748	29,401,234	17,248	596,234	206,880	27,232,400
October	186,000	28,091,700	190,483	27,936,280	4,483	(155,420)	188,816	26,230,683
November	186,000	28,091,700	194,135	28,032,939	8,135	(58,761)	184,240	25,933,888
December	186,000	28,091,700	189,283	27,836,982	3,283	(254,718)	187,397	26,628,891
January	178,700	27,675,200	203,526	28,493,782	24,826	818,582	179,115	26,098,738
February	184,600	28,011,800	189,525	27,837,984	4,925	(173,816)	185,696	26,370,674
March	192,030	28,435,800	212,176	29,032,277	20,146	596,477	197,486	27,090,940
April	199,600	28,867,800	179,291	27,196,557	(20,309)	(1,671,243)	203,684	27,447,662
May	200,100	28,896,300	220,082	29,382,758	19,982	486,458	204,107	27,765,537
June	228,500	30,516,800	242,746	30,704,517	14,246	187,717	231,627	29,058,129
<b>Total</b>	<b>2,398,830</b>	<b>346,620,100</b>	<b>2,506,308</b>	<b>346,549,738</b>	<b>107,478</b>	<b>(70,362)</b>	<b>2,462,367</b>	<b>328,921,263</b>
<b>Subtotals ytd</b>	<b>2,398,830</b>	<b>346,620,100</b>	<b>2,506,308</b>	<b>346,549,738</b>		<b>(70,362)</b>		
<i>Achievement of Budget/Goal</i>		104.48%		99.98%				

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Retail Revenues include Miscellaneous Revenues and Penalties

**Table 4 – DWSD Retail Sewer Collections**

Sewer				
Month	Current Year	Prior Year	Variance	Ratio
July	24,185,252	20,652,159	3,533,093	17.11%
August	25,036,198	22,395,220	2,640,978	11.79%
September	22,635,796	26,463,387	(3,827,591)	-14.46%
October	25,119,240	26,683,109	(1,563,869)	-5.86%
November	23,505,249	28,730,139	(5,224,890)	-18.19%
December	24,880,743	22,856,217	2,024,526	8.86%
January	23,020,491	22,057,276	963,215	4.37%
February	24,495,922	22,777,467	1,718,455	7.54%
March	29,410,086	25,002,508	4,407,578	17.63%
April	22,115,076	21,196,170	918,906	4.34%
May	20,952,592	21,888,687	(936,095)	-4.28%
June	25,922,279	32,508,249	(6,585,970)	-20.26%
<b>Rolling 12-Month Total</b>	<b>291,278,924</b>	<b>293,210,588</b>		
<b>Rolling, 12-Month Average</b>	<b>24,273,244</b>	<b>24,434,216</b>		

## DWSD Retail Water and Sewer Accounts Receivable Aging Report

The DWSD detailed accounts receivable aging is categorized by customer category.

**Table 5** is a summary of the monthly sales, total receivables, bad debt allowance and net Water and Sewer receivables as of June 30, 2022 with comparative totals from June 30, 2021 and June 30, 2020. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The table provides a comparison of days in accounts receivable calculated as net receivables divided by daily sales and confirms that over time days in AR is declining due in large part to a consistent practice of recognizing past due amounts over 60 days as bad debt expense. To the extent this allowance is adjusted, and bad debt expense is recognized in the DWSD budget, it does not impact GLWA.

**Table 6** is a summary of the total, current and non-current Water and Sewer receivables by category as of June 30, 2022 with comparative totals from June 30, 2021. This table does not include past due accounts that have been transferred to the City of Detroit for collection as tax liens.

The Total Balance and Total Bad Debt Allowance as of June 30, 2022 are reflective of the values in both the Table 5 Summary and Table 6 breakdown.

**Table 5 – DWSD Retail Accounts Receivable Aging Report – Summary**

Summary						
Period Ending	Monthly Sales	Receivables			Net	Days in AR (1)
		Total	Allowance	Net		
June 30, 2020	\$ 33,061,000	\$ 213,846,000	\$ (142,882,000)	\$ 70,964,000		64
June 30, 2021	\$ 36,335,000	\$ 248,055,000	\$ (200,146,000)	\$ 47,909,000		40
June 30, 2022	\$ 39,022,000	\$ 300,346,000	\$ (253,924,000)	\$ 46,422,000		36

*Totals may be off due to rounding*

(1) Days in AR is calculated as net receivables divided by daily sales (monthly sales/30 days)

**Table 6 – DWSD Retail Accounts Receivable Aging Report – Water & Sewer Combined**

Sales Class	# of Accounts	Avg. Balance	Current	> 30 Days	> 60 Days	> 180 Days	Balance
Residential	211,668	\$ 768.50	\$ 14,663,000	\$ 8,296,000	\$ 27,825,000	\$ 111,883,000	\$ 162,667,000
				9.0%	5.1%	17.1%	68.8%
							100.0%
Commercial	21,272	1,433.61	8,409,000	1,948,000	6,573,000	13,566,000	30,496,000
				27.6%	6.4%	21.6%	44.5%
							100.0%
Industrial	3,562	4,177.28	4,724,000	898,000	1,899,000	7,358,000	14,879,000
				31.8%	6.0%	12.8%	49.4%
							100.0%
Tax Exempt	3,844	823.79	570,000	180,000	496,000	1,921,000	3,167,000
				18.0%	5.7%	15.7%	60.7%
							100.0%
Government	51,360	424.20	2,650,000	1,011,000	2,466,000	15,661,000	21,787,000
				12.2%	4.6%	11.3%	71.9%
							100.0%
Drainage	43,369	744.67	2,683,000	1,403,000	4,578,000	23,631,000	32,295,000
				8.3%	4.3%	14.2%	73.2%
							100.0%
Subtotal - Active Accounts	335,075	\$ 791.74	\$ 33,699,000	\$ 13,735,000	\$ 43,838,000	\$ 174,020,000	\$ 265,291,000
				12.7%	5.2%	16.5%	65.6%
							100.0%
Inactive Accounts	314,756	111.37	58,000	78,000	692,000	34,226,000	35,055,000
				0.2%	0.2%	2.0%	97.6%
							100.0%
<b>Total</b>	<b>649,831</b>	<b>\$ 462.19</b>	<b>\$ 33,757,000</b>	<b>\$ 13,813,000</b>	<b>\$ 44,530,000</b>	<b>\$ 208,246,000</b>	<b>\$ 300,346,000</b>
% of Total A/R				11.2%	4.6%	14.8%	69.3%
							100.0%
Water Fund	239,341	236.81	\$ 7,929,000	\$ 2,530,000	\$ 7,988,000	\$ 38,231,000	\$ 56,678,000
Sewer Fund	276,647	880.79	\$ 25,828,000	\$ 11,283,000	\$ 36,542,000	\$ 170,015,000	\$ 243,668,000
<b>Total June 30, 2022 (a)</b>	<b>649,831</b>	<b>462.19</b>	<b>\$ 33,757,000</b>	<b>\$ 13,813,000</b>	<b>\$ 44,530,000</b>	<b>\$ 208,246,000</b>	<b>\$ 300,346,000</b>
Water Fund- Allowance							\$ (46,703,000)
Sewer Fund- Allowance							\$ (207,221,000)
<b>Total Bad Debt Allowance</b>							<b>\$ (253,924,000)</b>
Comparative - June 2021 (b)							\$ 47,135,000
<b>Difference (a) - (b)</b>	<b>649,831</b>	<b>462.19</b>	<b>\$ 33,757,000</b>	<b>\$ 13,813,000</b>	<b>\$ 44,530,000</b>	<b>\$ 208,246,000</b>	<b>\$ 253,211,000</b>

The Monthly Wholesale Billings, Receivables, & Collections Report includes the following.

1. Wholesale Water Billings and Collections
2. Wholesale Sewer Billings and Collections
3. City of Highland Park Billings and Collections
4. Wholesale Water & Sewer Accounts Receivable Aging Report

## Wholesale Water Billings and Collections

**Wholesale Water Contracts:** Great Lakes Water Authority (GLWA) provides wholesale water service to 87 member-partners through a variety of service arrangements.

### Service Arrangement Type

Model Contract	84
Emergency	1
Older Contracts	2
Total	<u>87</u>

**Note:** Services are provided to the Detroit Water & Sewerage Department (DWS) via a Water and Sewer Services Agreement (WSSA). See the "Retail Revenues, Receivables, and Collections Report" section of this monthly report.

**Wholesale Water Billing Basis:** Beginning with FY 2016, wholesale water charges were restructured to create a more stable revenue stream by using a historical rolling average to project customer volumes which accounts for 40% of the monthly charges and 60% of the annual customer revenue requirement as a monthly fixed charge.

**Table 1 - Wholesale Water Billings** shows the FY 2022 water billed usage and revenues. As of June 30, 2022, the billed usage was at 96.69% of the original plan and billed revenue at 98.74% of the original plan. Billings and usage from the City of Flint are included as they were assumed in the FY 2022 Budget.

This table also reflects the positive impact of approved FY 2022 budget amendments and known billing adjustments on the original plan.

**Wholesale Water Collections:** The collections represent payments made by wholesale customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA's Master Bond Ordinance.

**Table 2 - Wholesale Water Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods. Current year collections are trending slightly above prior year for the twelve-month period ending June 30, 2022.

**Table 1 – FY 2022 Wholesale Water Billings Report**

Month (1)	WHOLESALE WATER CHARGES							
	FY 2022 Charges (3)		FY 2022 - Actual		FY 2022 - Variance		FY 2021 - Actuals	
	Volume	Revenue	Volume	Revenue (2)	Volume	Revenue	Volume	Revenue
	McF	\$	McF	\$	McF	\$	McF	\$
July	1,677,100	33,302,700	1,342,686	29,642,785	(334,414)	(3,659,915)	1,862,791	33,583,619
August	1,509,200	31,598,500	1,417,142	30,604,230	(92,058)	(994,270)	1,622,324	31,230,027
September	1,316,400	29,141,000	1,298,750	29,065,588	(17,650)	(75,412)	1,313,440	27,836,560
October	1,034,000	26,280,800	1,006,217	26,123,483	(27,783)	(157,317)	1,070,660	25,454,840
November	896,800	25,001,500	905,525	25,117,181	8,725	115,681	956,542	24,390,303
December	972,100	25,612,000	958,879	25,542,432	(13,221)	(69,568)	981,770	24,600,202
January	972,000	25,650,600	979,803	25,791,405	7,803	140,805	969,483	25,235,130
February	884,400	24,852,700	875,553	24,800,493	(8,847)	(52,207)	920,467	24,794,259
March	979,500	25,678,200	963,825	25,592,186	(15,675)	(86,014)	1,001,073	25,450,418
April	914,000	25,117,700	912,124	25,139,078	(1,876)	21,378	954,308	25,140,003
May	1,059,200	26,721,900	1,094,002	27,116,529	34,802	394,629	1,181,186	27,569,969
June	1,374,300	30,029,900	1,385,287	30,301,351	10,987	271,451	1,424,230	30,066,884
<b>Total</b>	<b>13,589,000</b>	<b>328,987,500</b>	<b>13,139,793</b>	<b>324,836,740</b>	<b>(449,207)</b>	<b>(4,150,760)</b>	<b>14,258,274</b>	<b>325,352,214</b>
<i>Subtotals ytd</i>	<i>13,589,000</i>	<i>328,987,500</i>	<i>13,139,793</i>	<i>324,836,740</i>	<i>(449,207)</i>	<i>(4,150,760)</i>		
<i>Achievement of Original Plan</i>		96.69%	<i>Achievement of Original Plan</i>		98.74%			
<i>Budget Amendments</i>								
<i>PY Billing Adjustments</i>	<i>(450,000)</i>	<i>(4,900,000)</i>				<i>450,000</i>	<i>4,900,000</i>	
			21,488	544,190		21,488	544,190	
<i>Revised Subtotal</i>	<i>13,139,000</i>	<i>324,087,500</i>	<i>13,161,281</i>	<i>325,380,930</i>	<i>22,281</i>	<i>1,293,430</i>		
<i>Achievement of Amended Plan</i>		100.17%	<i>Achievement of Amended Plan</i>		100.40%			

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Water Revenues differ from Table 1A because amounts are reduced by the monthly payment to the City of Flint for a license to raw water rights under the Flint Raw Water Contract in Table 1A

(3) Charges are based on the approved FY 2022 water supply system charge schedule.

**Table 2 - Wholesale Water Collections**

Water				
Month	Current Year	Prior Year	Variance	Ratio
July	23,709,847	25,080,575	(1,370,728)	-5.47%
August	31,668,492	26,241,018	5,427,474	20.68%
September	23,849,618	26,078,015	(2,228,397)	-8.55%
October	29,212,277	29,292,690	(80,413)	-0.27%
November	25,265,770	32,218,822	(6,953,052)	-21.58%
December	25,302,369	29,609,061	(4,306,692)	-14.55%
January	31,280,599	20,716,948	10,563,651	50.99%
February	24,919,847	25,694,176	(774,329)	-3.01%
March	22,123,572	20,854,506	1,269,066	6.09%
April	21,726,941	23,545,123	(1,818,182)	-7.72%
May	27,717,969	24,878,479	2,839,490	11.41%
June	26,379,503	25,403,968	975,535	3.84%
<b>Rolling 12-Month Total</b>	<b>313,156,804</b>	<b>309,613,381</b>		
<b>Rolling, 12-Month Average</b>	<b>26,096,400</b>	<b>25,801,115</b>		

## Wholesale Sewer Billings and Collections

**Wholesale Sewer Contracts:** GLWA provides wholesale sewer service to 18 member-partners via multiple service arrangements.

### Service Arrangement Type

Model Contract	11
Emergency	0
Older Contracts	7
Total	<u>18</u>

**Note:** Services are provided to the Detroit Water & Sewerage Department via a Water and Sewer Services Agreement (WSSA). See the “Retail Revenues, Receivables, and Collections Report” section of the monthly report.

**Wholesale Sewer Billing Basis:** Beginning in FY 2015, the “sewer rate simplification” initiative was applied which provides for a stable revenue stream and predictability for our member partners. Wholesale sewer customers are billed a fixed monthly fee based upon the annual revenue requirement.

**Table 3 - Wholesale Sewer Billings** shows the FY 2022 sewer billed revenue. As of June 30, 2022 the billed revenue is at 100.00% of the original plan.

**Wholesale Sewer Collections:** The collections represent payments made by wholesale customers. These receipts are deposited directly into a lockbox with a trustee for administration of the flow of funds defined by GLWA’s Master Bond Ordinance.

**Table 4 - Wholesale Sewer Collections** shows collections by month for the past 12 months compared to collections for the prior year as well as the calculated difference between the periods.

The shift in wholesale sewer collection patterns is largely attributable to the timing of payments received. There are several large accounts whose payments swing between the end of the current month and the beginning of the next month. Current year collections are trending on par with prior year for the twelve-month period ending June 30, 2022.

**Table 3 – FY 2022 Wholesale Sewer Billings Report**

Month (1)	WHOLESALE SEWER CHARGES							
	FY 2022 Charges		FY 2022 - Actual		FY 2022 - Variance		FY 2021 - Actuals	
	Volume (2)	Revenue	Volume (2)	Revenue	Volume (2)	Revenue	Volume	Revenue
	Mcf	\$	Mcf	\$	Mcf	\$	Mcf	\$
July	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,323,183
August	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,323,183
September	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,323,183
October	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,323,183
November	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,323,183
December	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,323,183
January	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,633,025
February	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,633,025
March	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,633,025
April	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,633,025
May	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,633,025
June	N/A	22,615,000	N/A	22,615,000	N/A	-	N/A	22,633,025
<b>Total</b>		<b>271,380,000</b>		<b>271,380,000</b>		<b>-</b>		<b>269,737,248</b>
<i>Subtotals ytd</i>		<i>271,380,000</i>		<i>271,380,000</i>		<i>-</i>		<i>-</i>
<i>Achievement of Budget</i>				100.00%				

(1) Figures are stated as "Service Months"; that is, July figures represent bills issued in August, etc.

(2) Not tracked as part of the wholesale sewer charges.

**Table 4 - Wholesale Sewer Collections**

Month	Sewer			
	Current Year	Prior Year	Variance	Ratio
July	21,842,125	22,297,737	(455,612)	-2.04%
August	22,191,725	25,354,280	(3,162,555)	-12.47%
September	26,706,558	19,593,613	7,112,945	36.30%
October	22,176,058	16,853,983	5,322,075	31.58%
November	16,534,758	18,966,208	(2,431,450)	-12.82%
December	21,765,958	25,232,649	(3,466,691)	-13.74%
January	26,436,258	25,968,849	467,409	1.80%
February	23,937,258	16,872,900	7,064,358	41.87%
March	24,713,158	22,368,124	2,345,034	10.48%
April	19,937,558	28,128,933	(8,191,375)	-29.12%
May	10,226,700	15,972,800	(5,746,100)	-35.97%
June	29,659,245	28,523,650	1,135,595	3.98%
<b>Rolling 12-Month Total</b>	<b>266,127,359</b>	<b>266,133,726</b>		
<b>Rolling, 12-Month Average</b>	<b>22,177,280</b>	<b>22,177,811</b>		

## City of Highland Park Billings and Collections

The City of Highland Park is provided water service pursuant to an emergency service basis. Sewer service is provided pursuant to a 1982 amended contract which indicates that the parties are guided in their legal relationship by a Michigan Supreme Court decision from 1949.

As of June 30, 2022, Highland Park had a delinquent balance of \$53.4 million, including \$40.6 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$10.9 million for water supply services.

**Table 5 - City of Highland Park Billings and Collections** provides a life-to-date balance summary of the billing and collection history for Highland Park with detail provided for fiscal year 2022 through June 30, 2022. Please note the numbers below reflect the month the billing was sent and not the month the service was provided. A life-to-date summary is provided as an appendix to this monthly financial report.

**Table 5 - City of Highland Park Billings and Collections**

	Water	Sewer	IWC	Total
July 31, 2021 Balance	9,821,920	37,509,475	1,773,735	49,105,130
August 2021 Billing	109,067	446,400	4,067	559,534
August 2021 Payments	-	-	-	-
August 31, 2021 Balance	9,930,987	37,955,875	1,777,802	49,664,664
September 2021 Billing	110,440	446,400	4,062	560,902
September 2021 Payments	-	-	-	-
September 30, 2021 Balance	10,041,427	38,402,275	1,781,864	50,225,566
October 2021 Billing	109,853	446,400	4,053	560,306
October 2021 Payments	-	-	-	-
October 31, 2021 Balance	10,151,280	38,848,675	1,785,917	50,785,872
November 2021 Billing	103,417	446,400	4,069	553,886
November 2021 Payments	-	-	-	-
November 30, 2021 Balance	10,254,697	39,295,075	1,789,986	51,339,758
December 2021 Billing	100,908	446,400	4,075	551,383
December 2021 Payments	-	-	-	-
December 31, 2021 Balance	10,355,605	39,741,475	1,794,061	51,891,141
January 2022 Billing	96,633	446,400	4,002	547,035
January 2022 Payments	-	-	-	-
January 31, 2022 Balance	10,452,238	40,187,875	1,798,063	52,438,176
February 2022 Billing	97,203	446,400	4,002	547,605
February 2022 Payments	-	-	-	-
February 28, 2022 Balance	10,549,441	40,634,275	1,802,065	52,985,781
March 2022 Billing	96,540	446,400	4,000	546,940
March 2022 Payments	-	-	-	-
March 31, 2022 Balance	10,645,981	41,080,675	1,806,065	53,532,721
April 2022 Billing	98,395	446,400	4,009	548,804
April 2022 Payments	-	-	-	-
April 30, 2022 Balance	10,744,376	41,527,075	1,810,074	54,081,525
May 2022 Billing	96,254	446,400	4,009	546,663
May 2022 Payments	-	-	-	-
May 31, 2022 Balance	10,840,630	41,973,475	1,814,083	54,628,188
June 2022 Billing	100,820	446,400	4,002	551,222
June 2022 Payments		(1,788,828)		(1,788,828)
June 30, 2022 Balance	10,941,450	40,631,047	1,818,085	53,390,582

## Wholesale Water & Sewer Accounts Receivable Aging Report

The detailed accounts receivable aging is in the Appendix to this monthly report. This report reflects the wholesale receivables only and does not include DWSD.

**Table 6 - Wholesale Accounts Receivable Aging Report Summary** is a summary of the total, current and non-current receivables by category as of June 30, 2022.

**Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park** is the same summary *without* the past due balances for the City of Highland Park. One member partner contract dispute accounts for \$5.74 million of the current water past due balance. The remaining water past due relates mainly to one account that was paid current in early July.

The small IWC past due balance related to two accounts that were paid in full in September. Pollutant surcharge past dues generally consist of smaller account holders that GLWA staff continue to communicate with.

**Table 6 - Wholesale Accounts Receivable Aging Report Summary**

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 54,169,640.04	\$ 37,267,249.73	\$ 1,242,764.94	\$ 1,004,318.50	\$ 14,655,306.87
Sewer	\$ 61,880,721.58	\$ 21,696,074.70	\$ 446,400.00	\$ 446,400.00	\$ 39,291,846.88
IWC	\$ 2,315,237.34	\$ 504,015.46	\$ 4,891.05	\$ 4,265.70	\$ 1,802,065.13
Pollutant Surcharge	\$ 602,197.36	\$ 595,056.34	\$ 3,048.14	\$ 1,514.27	\$ 2,578.61
Total	\$ 118,967,796.32	\$ 60,062,396.23	\$ 1,697,104.13	\$ 1,456,498.47	\$ 55,751,797.49
	100.00%	50.49%	1.43%	1.22%	46.86%

**Table 7 - Wholesale Accounts Receivable Aging Report, Net of Highland Park**

	Total	Current	46-74 Days	75-104 Days	>105 Days
Water	\$ 43,228,190.76	\$ 37,070,176.78	\$ 1,144,369.21	\$ 907,778.44	\$ 4,105,866.33
Sewer	\$ 21,249,674.70	\$ 21,249,674.70	\$ -	\$ -	\$ -
IWC	\$ 497,151.94	\$ 496,004.44	\$ 882.00	\$ 265.50	\$ -
Pollutant Surcharge	\$ 602,197.36	\$ 595,056.34	\$ 3,048.14	\$ 1,514.27	\$ 2,578.61
Total	\$ 65,577,214.76	\$ 59,410,912.26	\$ 1,148,299.35	\$ 909,558.21	\$ 4,108,444.94
	100.00%	90.60%	1.75%	1.39%	6.27%

**Note:** percentages vary from 100% due to rounding.

The Monthly Trust Receipts & Disbursements Report includes the following.

1. GLWA Trust Receipts & Disbursements – Net Cash Flows and Receipts
2. DWSD Trust Receipts & Disbursements – Net Cash Flows, Receipts & Loan Receivable
3. Combined System Trust Receipts & Disbursements – Net Cash Flows

## GLWA Trust Receipts & Disbursements

**Net Cash Flows and Receipts Basis:** The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e., Great Lakes Water Authority or GLWA) and local retail (i.e., Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

This report provides an ongoing status of the net cash flow of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

***Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements***

provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2022 reflects twelve months of activity to date.

Water fund receipts exceeded required disbursements by 7% through June 30, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 13% since July 1, 2017.

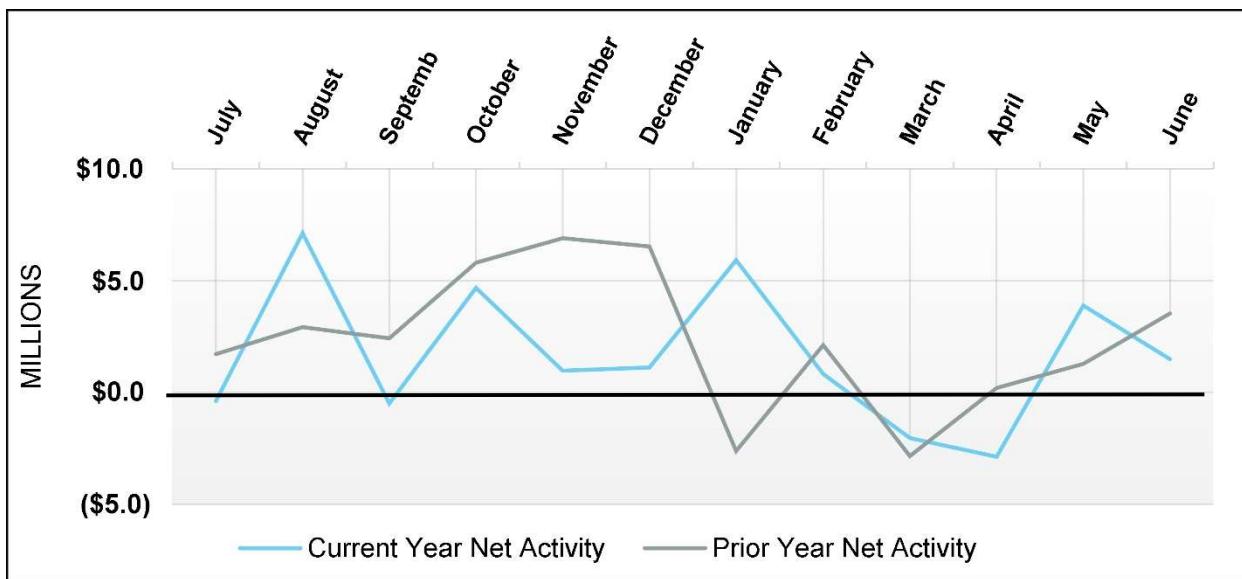
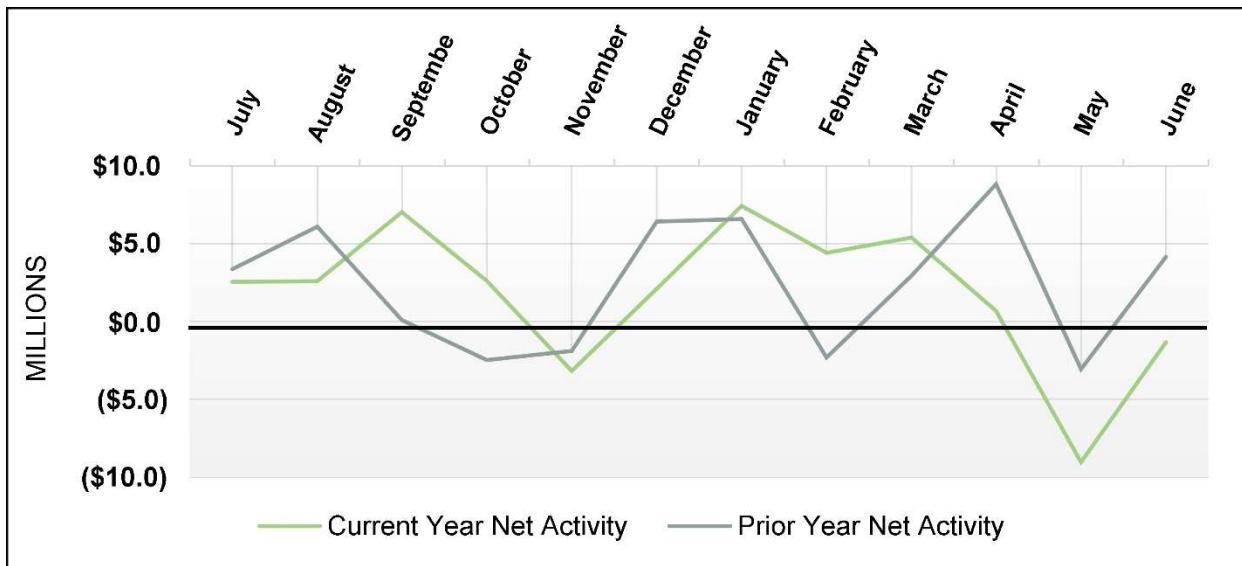
Sewer fund receipts exceeded required disbursements by 5% through June 30, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 6% since July 1, 2017.

***Chart 1 – GLWA 12-Month Net Receipts – Water*** outlines monthly cash receipt trends across two points of reference for the regional water system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

***Chart 2 – GLWA 12-Month Net Receipts – Sewer*** outlines monthly cash receipt trends across two points of reference for the regional sewer system—current year and prior year. The black line at the zero highlights the minimum goal for net receipts.

**Table 1 – GLWA Net Cash Flows from Trust Receipts & Disbursements**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022 Thru June 30</b>
<b>Water</b>					
1 Receipts	\$ 338,452,001	\$ 336,594,234	\$ 332,606,196	\$ 336,642,021	\$ 338,117,694
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	338,452,001	336,594,234	332,606,196	336,642,021	338,117,694
4 Disbursements	(297,064,810)	(289,230,481)	(296,190,425)	(308,713,407)	(316,495,360)
5 Receipts Net of Required	41,387,191	47,363,753	36,415,771	27,928,614	21,622,334
6 I&E Transfer	(25,739,700)	(47,695,000)	(25,719,751)	(31,991,687)	(26,622,862)
7 Net Receipts	\$ 15,647,491	\$ (331,247)	\$ 10,696,020	\$ (4,063,073)	\$ (5,000,528)
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	114%	116%	112%	109%	107%
<b>Sewer</b>					
9 Receipts	\$ 476,269,761	\$ 467,743,744	\$ 490,461,356	\$ 472,871,853	\$ 471,979,297
10 MOU Adjustments	-	-	-	-	-
11 Adjusted Receipts	476,269,761	467,743,744	490,461,356	472,871,853	471,979,297
12 Disbursements	(458,903,335)	(453,406,636)	(445,604,952)	(436,600,883)	(450,701,751)
13 Receipts Net of Required	17,366,426	14,337,108	44,856,404	36,270,970	21,277,546
14 I&E Transfer	(22,698,100)	(22,547,700)	(19,096,200)	(40,504,727)	(37,651,788)
15 DWSD Shortfall Advance	(24,113,034)	-	-	-	-
16 Shortfall Repayment (principal)	-	9,367,355	17,542,669	18,206,431	8,296,578
17 Net Receipts	\$ (29,444,708)	\$ 1,156,763	\$ 43,302,873	\$ 13,972,674	\$ (8,077,664)
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	104%	103%	110%	108%	105%
<b>Combined</b>					
19 Receipts	\$ 814,721,762	\$ 804,337,978	\$ 823,067,552	\$ 809,513,874	\$ 810,096,991
20 MOU Adjustments	-	-	-	-	-
21 Adjusted Receipts	814,721,762	804,337,978	823,067,552	809,513,874	810,096,991
22 Disbursements	(755,968,145)	(742,637,117)	(741,795,377)	(745,314,290)	(767,197,111)
23 Receipts Net of Required	58,753,617	61,700,861	81,272,175	64,199,584	42,899,880
24 I&E Transfer	(48,437,800)	(70,242,700)	(44,815,951)	(72,496,414)	(64,274,650)
25 Shortfall Advance	(24,113,034)	-	-	-	-
26 Shortfall Repayment	-	9,367,355	17,542,669	18,206,431	8,296,578
27 Net Receipts	\$ (13,797,217)	\$ 825,516	\$ 53,998,893	\$ 9,909,601	\$ (13,078,192)
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	108%	108%	111%	109%	106%

**Chart 1 – GLWA 12-Month Net Receipts – Water**

**Chart 2 – GLWA 12-Month Net Receipts – Sewer**


## DWSD Trust Receipts & Disbursements

**Net Cash Flows and Receipts Basis:** The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e. Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

This report provides an ongoing status of the net cash flow of both organizations (GLWA and DWSD) to fund their allocated share of Master Bond Ordinance requirements in accordance with the leases for the regional systems.

***Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements***

provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2022 reflects twelve months of activity to date.

Water fund receipts exceeded required disbursements by 8% through June 30, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 3% since July 1, 2017.

Sewer fund receipts exceeded required disbursements by 2% through June 30, 2022 consistent with the four-year historical average ratio of required receipts falling short of disbursements by 2% since July 1, 2017.

***Table 3 – FY 2018 DWSD Loan Receivable - Sewer*** provides an activity summary of the loan receivable established under the terms of the April 2018 MOU addressing the cash shortfall from FY 2018.

***Table 4 – FY 2018 DWSD Loan Receivable Payments - Sewer*** provides an activity summary of loan receivable payments to date on the FY 2018 Sewer Loan Receivable including the interest on the loan. This payment is transferred directly to GLWA Sewer Improvement & Extension fund monthly.

The Reconciliation Committee monitors this balance and repayment progress as part of its quarterly meetings.

**Chart 3 – DWSD 12-Month Net Receipts – Water** outlines monthly activity trends across two points of reference for the local water system—current year and prior year. The black line at the zero highlights the breakeven goal for net receipts.

**Chart 4 – DWSD 12-Month Net Receipts – Sewer** outlines monthly activity trends across two points of reference for the local sewer system—current year and prior year. The black line at the zero highlights the breakeven goal for net receipts.

**Table 2 – DWSD Net Cash Flows from Trust Receipts & Disbursements**

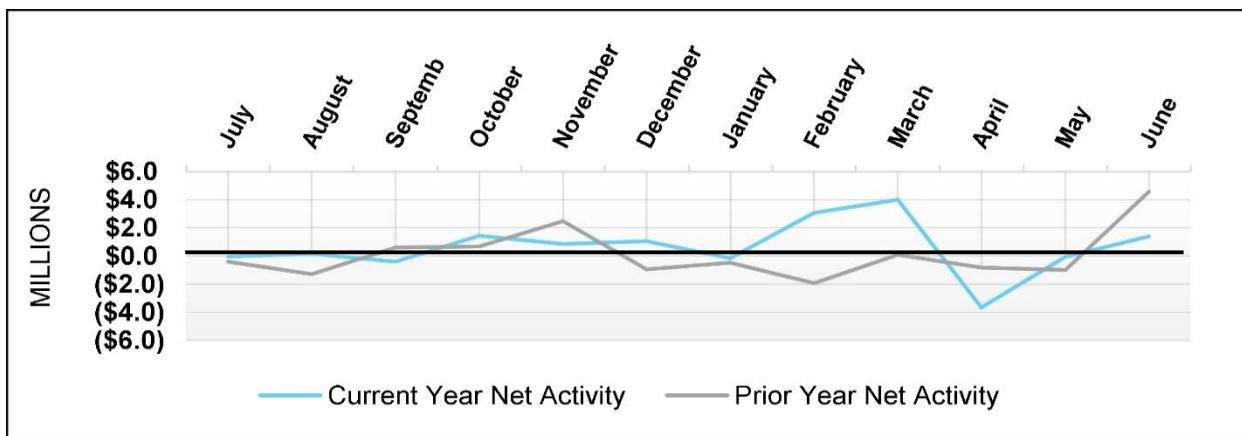
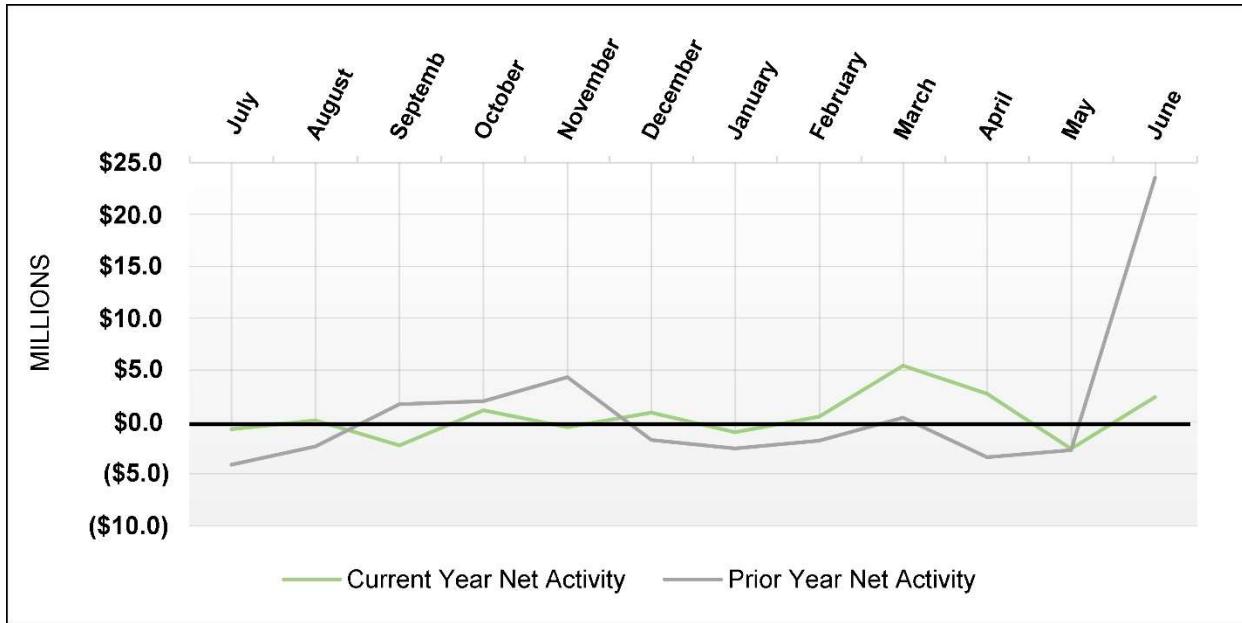
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Thru June 30
<b>Water</b>					
1 Receipts	\$ 101,233,147	\$ 99,868,219	\$ 96,885,723	\$ 102,067,423	\$ 101,964,963
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	101,233,147	99,868,219	96,885,723	102,067,423	101,964,963
4 Disbursements	(93,049,457)	(97,694,600)	(97,823,097)	(100,707,200)	(94,495,601)
5 Receipts Net of Required	8,183,690	2,173,619	(937,374)	1,360,223	7,469,362
6 I&E Transfer	-	(8,407,080)	-	-	-
7 Net Receipts	\$ 8,183,690	\$ (6,233,461)	\$ (937,374)	\$ 1,360,223	\$ 7,469,362
8 Ratio of Receipts to Required Disbursements (Line 3/Line 4)	109%	102%	99%	101%	108%
<b>Sewer</b>					
9 Receipts	\$ 242,104,791	\$ 265,339,797	\$ 264,689,559	\$ 308,210,767	\$ 291,280,896
10 MOU Adjustments	-	6,527,200	-	-	-
11 Adjusted Receipts	242,104,791	271,866,997	264,689,559	308,210,767	291,280,896
12 Disbursements	(266,217,825)	(271,018,306)	(275,507,374)	(295,100,771)	(285,256,000)
13 Receipts Net of Required	(24,113,034)	848,691	(10,817,815)	13,109,996	6,024,896
14 I&E Transfer	-	-	-	-	-
15 Shortfall Advance from GLWA	24,113,034	-	-	-	-
16 Net Receipts	\$ -	\$ 848,691	\$ (10,817,815)	\$ 13,109,996	\$ 6,024,896
17 Ratio of Receipts to Required Disbursements (Line 11/Line 12)	91%	100%	96%	104%	102%
<b>Combined</b>					
18 Receipts	\$ 343,337,938	\$ 365,208,016	\$ 361,575,282	\$ 410,278,190	\$ 393,245,859
19 MOU Adjustments	-	6,527,200	-	-	-
20 Adjusted Receipts	343,337,938	371,735,216	361,575,282	410,278,190	393,245,859
21 Disbursements	(359,267,282)	(368,712,906)	(373,330,471)	(395,807,971)	(379,751,601)
22 Receipts Net of Required	(15,929,344)	3,022,310	(11,755,189)	14,470,219	13,494,258
23 I&E Transfer	-	(8,407,080)	-	-	-
24 Shortfall Advance from GLWA	24,113,034	-	-	-	-
25 Net Receipts	\$ 8,183,690	\$ (5,384,770)	\$ (11,755,189)	\$ 14,470,219	\$ 13,494,258
26 Ratio of Receipts to Required Disbursements (Line 20/Line 21)	96%	101%	97%	104%	104%

**Table 3 – FY 2018 DWSD Loan Receivable – Sewer**

Date	Transaction	Amount	Balance
06-30-19	Record Loan Receivable		24,113,034
07-15-19	Payment for July 2019	638,978	23,474,056
08-08-19	Payment for August 2019	640,686	22,833,370
09-06-19	Payment for September 2019	642,400	22,190,970
10-02-19	Payment for October 2019	644,118	21,546,852
11-04-19	Payment for November 2019	645,840	20,901,012
12-03-19	Payment for December 2019	647,567	20,253,445
01-06-20	Payment for January 2020	649,299	19,604,146
02-04-20	Payment for February 2020	651,035	18,953,111
03-03-20	Payment for March 2020	652,776	18,300,335
04-15-20	Payment for April 2020	654,522	17,645,813
05-06-20	Payment for May 2020	656,272	16,989,541
06-02-20	Payment for June 2020	658,027	16,331,514
07-07-20	Payment for July 2020	659,787	15,671,727
08-04-20	Payment for August 2020	661,551	15,010,176
09-02-20	Payment for September 2020	663,320	14,346,855
10-05-20	Payment for October 2020	665,094	13,681,761
11-03-20	Payment for November 2020	666,873	13,014,888
12-03-20	Payment for December 2020	668,656	12,346,232
01-05-21	Payment for January 2021	670,444	11,675,788
02-02-21	Payment for February 2021	672,237	11,003,551
03-03-21	Payment for March 2021	674,035	10,329,517
04-05-21	Payment for April 2021	675,837	9,653,679
05-04-21	Payment for May 2021	677,644	8,976,035
06-03-21	Payment for June 2021	679,457	8,296,578
07-02-21	Payment for July 2021	681,274	7,615,305
08-03-21	Payment for August 2021	683,095	6,932,209
09-03-21	Payment for September 2021	684,922	6,247,287
10-05-21	Payment for October 2021	686,754	5,560,534
11-03-21	Payment for November 2021	688,590	4,871,944
12-06-21	Payment for December 2021	690,432	4,181,512
01-05-22	Payment for January 2022	692,278	3,489,234
02-04-22	Payment for February 2022	694,129	2,795,105
03-03-22	Payment for March 2022	695,985	2,099,119
04-03-22	Payment for April 2022	697,847	1,401,273
05-03-22	Payment for May 2022	699,713	701,560
06-07-22	Payment for June 2022	701,560	0
		<b>24,113,034</b>	<b>0</b>

**Table 4 – FY 2018 DWSD Loan Receivable Payments – Sewer**

Date	Transaction	Principal	Interest	Total Paid
07-15-19	Payment for July 2019	638,978	64,482	703,460
08-08-19	Payment for August 2019	640,686	62,774	703,460
09-06-19	Payment for September 2019	642,400	61,060	703,460
10-02-19	Payment for October 2019	644,118	59,342	703,460
11-04-19	Payment for November 2019	645,840	57,620	703,460
12-03-19	Payment for December 2019	647,567	55,893	703,460
01-06-20	Payment for January 2020	649,299	54,161	703,460
02-04-20	Payment for February 2020	651,035	52,425	703,460
03-03-20	Payment for March 2020	652,776	50,684	703,460
04-15-20	Payment for April 2020	654,522	48,938	703,460
05-06-20	Payment for May 2020	656,272	47,188	703,460
06-02-20	Payment for June 2020	658,027	45,433	703,460
07-07-20	Payment for July 2020	659,787	43,673	703,460
08-04-20	Payment for August 2020	661,551	41,909	703,460
09-02-20	Payment for September 2020	663,320	40,140	703,460
10-05-20	Payment for October 2020	665,094	38,366	703,460
11-03-20	Payment for November 2020	666,873	36,587	703,460
12-03-20	Payment for December 2020	668,656	34,804	703,460
01-05-21	Payment for January 2021	670,444	33,016	703,460
02-02-21	Payment for February 2021	672,237	31,223	703,460
03-03-21	Payment for March 2021	674,035	29,425	703,460
04-05-21	Payment for April 2021	675,837	27,623	703,460
05-04-21	Payment for May 2021	677,644	25,816	703,460
06-03-21	Payment for June 2021	679,457	24,003	703,460
07-02-21	Payment for July 2021	681,274	22,186	703,460
08-03-21	Payment for August 2021	683,095	20,365	703,460
09-03-21	Payment for September 2021	684,922	18,538	703,460
10-05-21	Payment for October 2021	686,754	16,706	703,460
11-03-21	Payment for November 2021	688,590	14,870	703,460
12-06-21	Payment for December 2021	690,432	13,028	703,460
01-05-22	Payment for January 2022	692,278	11,182	703,460
02-04-22	Payment for February 2022	694,129	9,331	703,460
03-03-22	Payment for March 2022	695,985	7,475	703,460
04-04-22	Payment for April 2022	697,847	5,613	703,460
05-03-22	Payment for May 2022	699,713	3,747	703,460
06-07-22	Payment for June 2022	701,560	1,876	703,436
		<b>24,113,034</b>	<b>1,211,503</b>	<b>25,324,536</b>

**Chart 3 – DWSD 12-Month Net Receipts – Water**

**Chart 4 – DWSD 12-Month Net Receipts – Sewer**


## Combined System Trust Receipts & Disbursements

**Net Cash Flows and Receipts Basis:** The trusts established pursuant to the Master Bond Ordinance (MBO) outline a flow of funds that governs the priority of the application of cash receipts from both the regional wholesale (i.e., Great Lakes Water Authority or GLWA) and local retail (i.e. Detroit Water & Sewerage Department or DWSD) activities which are further separated by the water system and the sewage disposal system.

**Table 5 – Combined Net Cash Flows from Trust Receipts & Disbursements** provides a summary of cash receipt collections and required MBO transfers by fiscal year. Fiscal year 2022 reflects twelve months of activity to date.

Water fund net receipts exceeded required disbursements by 7% through June 30, 2022 consistent with the four-year historical average ratio of required receipts exceeding disbursements by 10% since July 1, 2017.

Sewer fund receipts exceeded required disbursements by 4% through June 30, 2022 compared to the four-year historical average ratio of required receipts exceeding disbursements by 3% since July 1, 2017.

**Table 5 – Combined Net Cash Flows from Trust Receipts & Disbursements**

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Thru June 30
<b>Water</b>					
1 Receipts	\$ 439,685,148	\$ 436,462,453	\$ 429,491,919	\$ 438,709,444	\$ 440,082,657
2 MOU Adjustments	-	-	-	-	-
3 Adjusted Receipts	439,685,148	436,462,453	429,491,919	438,709,444	440,082,657
4 Disbursements	(390,114,267)	(386,925,081)	(394,013,522)	(409,420,607)	(410,990,961)
5 Receipts Net of Required	49,570,881	49,537,372	35,478,397	29,288,837	29,091,696
6 I&E Transfer	(25,739,700)	(56,102,080)	(25,719,751)	(31,991,687)	(26,622,862)
7 Net Receipts	\$ 23,831,181	\$ (6,564,708)	\$ 9,758,646	\$ (2,702,850)	\$ 2,468,834
8 <i>Ratio of Receipts to Required Disbursements (Line 3/Line 4)</i>	113%	113%	109%	107%	107%
<b>Sewer</b>					
9 Receipts	\$ 718,374,552	\$ 733,083,541	\$ 755,150,915	\$ 781,082,620	\$ 763,260,193
10 MOU Adjustments	-	6,527,200	-	-	-
11 Adjusted Receipts	718,374,552	739,610,741	755,150,915	781,082,620	763,260,193
12 Disbursements	(725,121,160)	(724,424,942)	(721,112,326)	(731,701,654)	(735,957,751)
13 Receipts Net of Required	(6,746,608)	15,185,799	34,038,589	49,380,966	27,302,442
14 I&E Transfer	(22,698,100)	(22,547,700)	(19,096,200)	(40,504,727)	(37,651,788)
15 Shortfall Advance	-	-	-	-	-
16 Shortfall Repayment (principal)	-	9,367,355	17,542,669	18,206,431	8,296,578
17 Net Receipts	\$ (29,444,708)	\$ (7,361,901)	\$ 32,485,058	\$ 27,082,670	\$ (2,052,768)
18 <i>Ratio of Receipts to Required Disbursements (Line 11/Line 12)</i>	99%	102%	105%	107%	104%
<b>Combined</b>					
19 Receipts	\$1,158,059,700	\$1,169,545,994	\$1,184,642,834	\$1,219,792,064	\$ 1,203,342,850
20 MOU Adjustments	-	6,527,200	-	-	-
21 Adjusted Receipts	1,158,059,700	1,176,073,194	1,184,642,834	1,219,792,064	1,203,342,850
22 Disbursements	(1,115,235,427)	(1,111,350,023)	(1,115,125,848)	(1,141,122,261)	(1,146,948,712)
23 Receipts Net of Required	42,824,273	64,723,171	69,516,986	78,669,803	56,394,138
24 I&E Transfer	(48,437,800)	(78,649,780)	(44,815,951)	(72,496,414)	(64,274,650)
25 Shortfall Advance	-	-	-	-	-
26 Shortfall Repayment	-	9,367,355	17,542,669	18,206,431	8,296,578
27 Net Receipts	\$ (5,613,527)	\$ (4,559,254)	\$ 42,243,704	\$ 24,379,820	\$ 416,066
28 <i>Ratio of Receipts to Required Disbursements (Line 21/Line 22)</i>	104%	106%	106%	107%	105%

## APPENDIX

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$396,187.17	\$396,187.17	\$0.00	\$0.00	\$0.00
ALMONT VILLAGE	\$20,930.66	\$20,930.66	\$0.00	\$0.00	\$0.00
ASH TOWNSHIP	\$74,841.38	\$74,841.38	\$0.00	\$0.00	\$0.00
BELLEVILLE	\$28,408.77	\$28,408.77	\$0.00	\$0.00	\$0.00
BERLIN TOWNSHIP	\$5,234.08	\$5,234.08	\$0.00	\$0.00	\$0.00
BROWNSTOWN TOWNSHIP	\$622,683.44	\$622,683.44	\$0.00	\$0.00	\$0.00
BRUCE TOWNSHIP	\$46,572.63	\$46,572.63	\$0.00	\$0.00	\$0.00
BURTCHVILLE TOWNSHIP	\$33,738.30	\$33,738.30	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$907,775.14	\$907,775.14	\$0.00	\$0.00	\$0.00
CENTER LINE	\$81,720.67	\$81,720.67	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$377,987.34	\$377,987.34	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$627,808.11	\$627,808.11	\$0.00	\$0.00	\$0.00
COMMERCE TOWNSHIP	\$590,156.00	\$590,156.00	\$0.00	\$0.00	\$0.00
DEARBORN	\$7,269,881.13	\$1,526,835.41	\$933,905.73	\$703,273.66	\$4,105,866.33
DEARBORN HEIGHTS	\$644,761.49	\$644,761.49	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$138,773.46	\$138,773.46	\$0.00	\$0.00	\$0.00
ECORSE	\$113,018.30	\$113,018.30	\$0.00	\$0.00	\$0.00
FARMINGTON	\$88,575.88	\$88,575.88	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$1,469,346.15	\$1,469,346.15	\$0.00	\$0.00	\$0.00
FERNDALE	\$90,661.70	\$90,661.70	\$0.00	\$0.00	\$0.00
FLAT ROCK	\$239,045.79	\$239,045.79	\$0.00	\$0.00	\$0.00
FLINT	\$427,521.80	\$427,521.80	\$0.00	\$0.00	\$0.00
FRASER	\$104,850.72	\$104,850.72	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
GARDEN CITY	\$154,798.31	\$154,798.31	\$0.00	\$0.00	\$0.00
GENESEE COUNTY DRAIN COMM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GIBRALTAR	\$29,388.69	\$29,388.69	\$0.00	\$0.00	\$0.00
GREATER LAPEER CUA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE ILE TOWNSHIP	\$102,390.66	\$102,390.66	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$116,190.48	\$116,190.48	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$57,867.56	\$57,867.56	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$108,310.33	\$108,310.33	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$135,846.66	\$135,846.66	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$72,705.89	\$72,705.89	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$145,621.67	\$145,621.67	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$63,081.00	\$63,081.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$10,941,449.28	\$197,072.95	\$98,395.73	\$96,540.06	\$10,549,440.54
HURON TOWNSHIP	\$142,031.40	\$142,031.40	\$0.00	\$0.00	\$0.00
IMLAY CITY	\$136,669.15	\$136,669.15	\$0.00	\$0.00	\$0.00
IMLAY TOWNSHIP	\$903.56	\$903.56	\$0.00	\$0.00	\$0.00
INKSTER	\$227,716.68	\$227,716.68	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$50,402.98	\$50,402.98	\$0.00	\$0.00	\$0.00
LAPEER	\$137,153.71	\$137,153.71	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$26,708.64	\$26,708.64	\$0.00	\$0.00	\$0.00
LINCOLN PARK	\$823,658.24	\$412,236.51	\$206,916.95	\$204,504.78	\$0.00

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LIVONIA	\$1,903,364.94	\$1,900,048.27	\$3,316.67	\$0.00	\$0.00
MACOMB TWP	\$1,151,585.82	\$1,151,585.82	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$176,995.83	\$176,995.83	\$0.00	\$0.00	\$0.00
MAYFIELD TOWNSHIP	\$3,920.67	\$3,920.67	\$0.00	\$0.00	\$0.00
MELVINDALE	\$60,503.17	\$60,503.17	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$33,427.15	\$33,427.15	\$0.00	\$0.00	\$0.00
NOCWA	\$3,609,093.92	\$3,609,093.92	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$66,303.66	\$66,303.66	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$476,092.16	\$476,092.16	\$0.00	\$0.00	\$0.00
NOVI	\$790,852.21	\$790,852.21	\$0.00	\$0.00	\$0.00
OAK PARK	\$119,777.24	\$119,777.24	\$0.00	\$0.00	\$0.00
OAKLAND CO DR COM	\$14,250.61	\$14,250.61	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$183,341.07	\$183,341.07	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$391,016.62	\$391,016.62	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$277,545.18	\$277,545.18	\$0.00	\$0.00	\$0.00
RIVER ROUGE	\$120,375.31	\$120,375.31	\$0.00	\$0.00	\$0.00
RIVERVIEW	\$152,076.01	\$151,846.15	\$229.86	\$0.00	\$0.00
ROCKWOOD	\$24,484.84	\$24,484.84	\$0.00	\$0.00	\$0.00
ROMEO	\$44,109.05	\$44,109.05	\$0.00	\$0.00	\$0.00
ROMULUS	\$365,412.84	\$365,412.84	\$0.00	\$0.00	\$0.00
ROSEVILLE	\$228,929.90	\$228,929.90	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$32,700.40	\$32,700.40	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$1,240,531.68	\$1,240,531.68	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
SOCWA	\$3,879,317.66	\$3,879,317.66	\$0.00	\$0.00	\$0.00
SOUTH ROCKWOOD	\$10,929.73	\$10,929.73	\$0.00	\$0.00	\$0.00
SOUTHGATE	\$200,189.81	\$200,189.81	\$0.00	\$0.00	\$0.00
ST. CLAIR CNTY-GREENWOOD ENE	\$60,831.50	\$60,831.50	\$0.00	\$0.00	\$0.00
ST. CLAIR SHORES	\$551,434.96	\$551,434.96	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$2,590,574.64	\$2,590,574.64	\$0.00	\$0.00	\$0.00
SUMPTER TOWNSHIP	\$71,666.42	\$71,666.42	\$0.00	\$0.00	\$0.00
SYLVAN LAKE	\$21,075.25	\$21,075.25	\$0.00	\$0.00	\$0.00
TAYLOR	\$419,570.73	\$419,570.73	\$0.00	\$0.00	\$0.00
TRENTON	\$150,785.50	\$150,785.50	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$1,133,599.49	\$1,133,599.49	\$0.00	\$0.00	\$0.00
UTICA	\$48,879.06	\$48,879.06	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$305,352.19	\$305,352.19	\$0.00	\$0.00	\$0.00
WALLED LAKE	\$132,513.52	\$132,513.52	\$0.00	\$0.00	\$0.00
WARREN	\$906,899.63	\$906,899.63	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$206,423.33	\$206,423.33	\$0.00	\$0.00	\$0.00
WAYNE	\$291,365.40	\$291,365.40	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$1,787,494.80	\$1,787,494.80	\$0.00	\$0.00	\$0.00
WESTLAND	\$561,578.33	\$561,578.33	\$0.00	\$0.00	\$0.00
WIXOM	\$427,479.27	\$427,479.27	\$0.00	\$0.00	\$0.00
WOODHAVEN	\$150,335.02	\$150,335.02	\$0.00	\$0.00	\$0.00
YCUA	\$921,278.52	\$921,278.52	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- WATER ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
TOTAL WATER ACCOUNTS	\$54,169,640.04	\$37,267,249.73	\$1,242,764.94	\$1,004,318.50	\$14,655,306.87

## GLWA Aged Accounts Receivable- SEWER ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CENTER LINE	\$85,799.50	\$85,799.50	\$0.00	\$0.00	\$0.00
DEARBORN	\$1,671,500.00	\$1,671,500.00	\$0.00	\$0.00	\$0.00
DEARBORN EAST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN N.E.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EVERGREEN-FARMINGTON	\$2,980,500.00	\$2,980,500.00	\$0.00	\$0.00	\$0.00
FARMINGTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$40,631,046.88	\$446,400.00	\$446,400.00	\$446,400.00	\$39,291,846.88
MELVINDALE	\$129,500.00	\$129,500.00	\$0.00	\$0.00	\$0.00
OAKLAND COUNTY GWK DD	\$3,819,000.00	\$3,819,000.00	\$0.00	\$0.00	\$0.00
OMID	\$5,889,075.20	\$5,889,075.20	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROUGE VALLEY	\$4,605,600.00	\$4,605,600.00	\$0.00	\$0.00	\$0.00
SOUTH MACOMB SANITATION DIST	\$2,064,400.00	\$2,064,400.00	\$0.00	\$0.00	\$0.00
WAYNE COUNTY-AREA #3	\$4,300.00	\$4,300.00	\$0.00	\$0.00	\$0.00
<b>TOTAL SEWER ACCOUNTS</b>	<b>\$61,880,721.58</b>	<b>\$21,696,074.70</b>	<b>\$446,400.00</b>	<b>\$446,400.00</b>	<b>\$39,291,846.88</b>

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ALLEN PARK	\$1,605.39	\$1,605.39	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUBURN HILLS (C-O) ADMIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUBURN HILLS (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BERKLEY	\$3,147.06	\$3,147.06	\$0.00	\$0.00	\$0.00
BEVERLY HILLS	\$994.74	\$994.74	\$0.00	\$0.00	\$0.00
BINGHAM FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BIRMINGHAM (E-F)	\$(12.39)	\$(12.39)	\$0.00	\$0.00	\$0.00
BIRMINGHAM (SEOC)	\$5,660.46	\$5,660.46	\$0.00	\$0.00	\$0.00
BLOOMFIELD HILLS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLOOMFIELD TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CANTON TOWNSHIP	\$84.96	\$84.96	\$0.00	\$0.00	\$0.00
CENTER LINE	\$3,667.44	\$3,667.44	\$0.00	\$0.00	\$0.00
CHARTER TOWNSHIP OF INDEPEND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CHESTERFIELD TOWNSHIP	\$12,581.16	\$12,581.16	\$0.00	\$0.00	\$0.00
CITY OF FARMINGTON (E-F)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CITY OF FERNDALE	\$8,867.70	\$8,867.70	\$0.00	\$0.00	\$0.00
CITY OF ROCHESTER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CLARKSTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CLARKSTON (C-O) ADMIN	\$69.06	\$69.06	\$0.00	\$0.00	\$0.00
CLAWSON	\$3,122.28	\$3,122.28	\$0.00	\$0.00	\$0.00
CLINTON TOWNSHIP	\$26,684.52	\$26,684.52	\$0.00	\$0.00	\$0.00
DEARBORN	\$74,704.62	\$74,035.56	\$403.56	\$265.50	\$0.00

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
DEARBORN HEIGHTS	\$9,492.51	\$9,492.51	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$106.20	\$106.20	\$0.00	\$0.00	\$0.00
EASTPOINTE	\$12,853.74	\$12,853.74	\$0.00	\$0.00	\$0.00
FARMINGTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON HILLS	\$637.20	\$637.20	\$0.00	\$0.00	\$0.00
FRASER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GARDEN CITY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE	\$1,573.53	\$1,573.53	\$0.00	\$0.00	\$0.00
GROSSE POINTE FARMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE PARK	\$1,177.05	\$1,177.05	\$0.00	\$0.00	\$0.00
GROSSE POINTE SHORES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GROSSE POINTE WOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HAMTRAMCK	\$4,155.96	\$4,155.96	\$0.00	\$0.00	\$0.00
HARPER WOODS	\$1,897.44	\$1,897.44	\$0.00	\$0.00	\$0.00
HARRISON TWP	\$2,810.76	\$2,810.76	\$0.00	\$0.00	\$0.00
HAZEL PARK	\$3,262.11	\$3,262.11	\$0.00	\$0.00	\$0.00
HIGHLAND PARK	\$1,818,085.40	\$8,011.02	\$4,009.05	\$4,000.20	\$1,802,065.13
HUNTINGTON WOODS	\$284.97	\$284.97	\$0.00	\$0.00	\$0.00
INDEPENDENCE (C-O) ADMIN	\$1,289.20	\$1,289.20	\$0.00	\$0.00	\$0.00
INKSTER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KEEGO HARBOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LAKE ORION	\$800.04	\$800.04	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LATHRUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LENOX TOWNSHIP	\$323.91	\$323.91	\$0.00	\$0.00	\$0.00
LIVONIA	\$40,301.13	\$40,301.13	\$0.00	\$0.00	\$0.00
MACOMB TWP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MADISON HEIGHTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MELVINDALE	\$3,501.06	\$3,501.06	\$0.00	\$0.00	\$0.00
NEW HAVEN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTHVILLE	\$1,773.54	\$1,773.54	\$0.00	\$0.00	\$0.00
NORTHVILLE TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NOVI	\$17,349.54	\$17,349.54	\$0.00	\$0.00	\$0.00
OAK PARK	\$7,218.06	\$7,218.06	\$0.00	\$0.00	\$0.00
OAKLAND TOWNSHIP	\$7.08	\$7.08	\$0.00	\$0.00	\$0.00
ORCHARD LAKE VILLAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O)	\$4,345.35	\$4,345.35	\$0.00	\$0.00	\$0.00
ORION TOWNSHIP (C-O) ADMIN	\$486.88	\$486.88	\$0.00	\$0.00	\$0.00
OXFORD TOWNSHIP	\$1,067.31	\$1,067.31	\$0.00	\$0.00	\$0.00
OXFORD VILLAGE	\$1,253.16	\$1,253.16	\$0.00	\$0.00	\$0.00
PLEASANT RIDGE	\$272.58	\$272.58	\$0.00	\$0.00	\$0.00
PLYMOUTH	\$3,883.38	\$3,883.38	\$0.00	\$0.00	\$0.00
PLYMOUTH TOWNSHIP	\$136.29	\$136.29	\$0.00	\$0.00	\$0.00
REDFORD TOWNSHIP	\$12,616.56	\$12,616.56	\$0.00	\$0.00	\$0.00
ROCHESTER HILLS	\$18,439.86	\$18,439.86	\$0.00	\$0.00	\$0.00
ROMULUS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- IWC ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ROSEVILLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROYAL OAK	\$13,800.69	\$13,800.69	\$0.00	\$0.00	\$0.00
ROYAL OAK TOWNSHIP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SHELBY TOWNSHIP	\$14,891.01	\$14,891.01	\$0.00	\$0.00	\$0.00
SOUTHFIELD (E-F)	\$55,858.52	\$55,858.52	\$0.00	\$0.00	\$0.00
SOUTHFIELD (SEOC)	\$7,126.56	\$6,648.12	\$478.44	\$0.00	\$0.00
ST. CLAIR SHORES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STERLING HEIGHTS	\$31,799.82	\$31,799.82	\$0.00	\$0.00	\$0.00
TROY (E-F)	\$382.32	\$382.32	\$0.00	\$0.00	\$0.00
TROY (SEOC)	\$37,430.19	\$37,430.19	\$0.00	\$0.00	\$0.00
UTICA	\$3,035.55	\$3,035.55	\$0.00	\$0.00	\$0.00
VAN BUREN TOWNSHIP	\$2,039.04	\$2,039.04	\$0.00	\$0.00	\$0.00
VILLAGE OF FRANKLIN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WASHINGTON TOWNSHIP	\$1,640.79	\$1,640.79	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WATERFORD TOWNSHIP DPW (ADMI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WAYNE	\$4,996.71	\$4,996.71	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (C-O)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP (E-F)	\$6,368.55	\$6,368.55	\$0.00	\$0.00	\$0.00
WEST BLOOMFIELD TWP. (C-O) P	\$243.39	\$243.39	\$0.00	\$0.00	\$0.00
WESTLAND	\$23,045.40	\$23,045.40	\$0.00	\$0.00	\$0.00

**GLWA Aged Accounts Receivable- IWC ACCOUNTS****Balances as of 06/30/22**

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
<b>TOTAL IWC ACCOUNTS</b>	<b>\$2,315,237.34</b>	<b>\$504,015.46</b>	<b>\$4,891.05</b>	<b>\$4,265.70</b>	<b>\$1,802,065.13</b>

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
3M COMPANY (MINNESOTA MINING	\$1,367.46	\$1,367.46	\$0.00	\$0.00	\$0.00
A & R PACKING CO., LLC	\$1,315.24	\$1,315.24	\$0.00	\$0.00	\$0.00
AACTRON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACADEMY PACKING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACME RUSTPROOF	\$107.68	\$71.29	\$36.39	\$0.00	\$0.00
ADORING PET FUNERAL HOME	\$49.86	\$49.86	\$0.00	\$0.00	\$0.00
ADVANCE ENGINEERING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AEVITAS SPECIALITY SERVICES	\$263.99	\$263.99	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNUNG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALEXANDER & HORNUNG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL CHEM CORP, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALPHA STAMPING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERICAN WASTE TECH INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AMERITI MFG. CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
APPLIED TECHNOLOGY INDUSTRIE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ATWATER IN THE PARK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AUTOMOTIVE FINISH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
AXLE BREWING COMPANY, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B. NEKTAR MEADERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BAFFIN BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BARON INDUSTRIES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BARTZ BAKERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BASTONE BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
BATCH BREWING COMPANY	\$1,096.89	\$0.00	\$43.76	\$0.00	\$1,053.13
BAYS MICHIGAN CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEIRUT BAKERY, INC.	\$37.00	\$0.00	\$0.00	\$0.00	\$37.00
BETTER MADE SNACK FOOD	\$45,397.07	\$45,397.07	\$0.00	\$0.00	\$0.00
BLACK LOTUS BREWING CO.	\$61.25	\$0.00	\$0.00	\$0.00	\$61.25
BOZEK'S MARKET	\$46.43	\$46.43	\$0.00	\$0.00	\$0.00
BREW DETROIT	\$5,896.12	\$5,896.12	\$0.00	\$0.00	\$0.00
BROADWAY MKT CORNED BEEF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BROOKS BREWING, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BROWN IRON BREWHOUSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CADILLAC STRAITS BREWING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CANTON BREW WORKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL REPRODUCTIONS	\$5.48	\$5.48	\$0.00	\$0.00	\$0.00
CF BURGER CREAMERY	\$14,858.15	\$14,858.15	\$0.00	\$0.00	\$0.00
CHILANGO'S BAKERY	\$2,056.25	\$21.60	\$11.37	\$10.23	\$2,013.05
CINTAS CORP. - MACOMB TWP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$10,613.86	\$10,613.86	\$0.00	\$0.00	\$0.00
CINTAS CORPORATION	\$6,665.33	\$6,665.33	\$0.00	\$0.00	\$0.00
CITY LAUNDRY, INC.	\$6.44	\$6.44	\$0.00	\$0.00	\$0.00
CLASSIC CONTAINER CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COCA-COLA REFRESHMENTS USA,	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COSTCO WHOLESALE STORE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COUNTRY FRESH DAIRY CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CROSS CHEMICAL COMPANY, INC.	\$199.82	\$199.82	\$0.00	\$0.00	\$0.00
DARLING INGREDIENTS, INC.	\$9,292.20	\$9,292.20	\$0.00	\$0.00	\$0.00
DAVE'S SAUSAGE FACTORY 2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN BREWING	\$ (11.58)	\$0.00	\$0.00	\$0.00	\$ (11.58)
DEARBORN SAUSAGE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DEARBORN SAUSAGE CO., INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT BEER CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT LINEN SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT METRO WC AIRPORT	\$210,846.19	\$210,846.19	\$0.00	\$0.00	\$0.00
DETROIT RIVERTOWN BREWERY CC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DETROIT SAUSAGES CO INC	\$35.36	\$17.68	\$11.05	\$6.63	\$0.00
DETTRONIC INDUSTRIES, INC.	\$95.87	\$95.87	\$0.00	\$0.00	\$0.00
DIFCO LABORATORIES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DIVERSIFIED CHEM TECH. INC.	\$95.11	\$95.11	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$7,225.38	\$7,225.38	\$0.00	\$0.00	\$0.00
DOMESTIC UNIFORM RENTAL	\$3,181.96	\$3,181.96	\$0.00	\$0.00	\$0.00
DOWNEY BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E.W. GROBBEL'S SONS, INC.	\$2,933.99	\$2,933.99	\$0.00	\$0.00	\$0.00
EASTERN MARKET BREWING COMP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
ENVIROSOLIDS, L.L.C.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$2,184.65	\$2,183.66	\$0.99	\$0.00	\$0.00
EQ DETROIT, INC.	\$5,195.49	\$5,195.49	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$41.21	\$41.21	\$0.00	\$0.00	\$0.00
EQ DETROIT, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ETON ST BREWERY- GRIFFIN CLA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EXTRUDE HONE CORPORATION	\$195.12	\$90.17	\$104.95	\$0.00	\$0.00
EXTRUDEHODE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FARMINGTON BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FAYGO BEVERAGES, INC.	\$16,437.49	\$16,437.49	\$0.00	\$0.00	\$0.00
FITZGERALD FINISHING LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FIVES CINETIC CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FORD NEW MODEL PROGRAM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FOUNDERS BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$590.02	\$590.02	\$0.00	\$0.00	\$0.00
FRESH-PAK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GENERAL LINEN SUPPLY CO.	\$3,323.91	\$3,323.91	\$0.00	\$0.00	\$0.00
GLOBAL TITANIUM, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$ (38.34)	\$0.00	\$0.00	\$0.00	\$ (38.34)
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANITE CITY FOOD & BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GREAT BARABOO BREWING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
HACIENDA MEXICAN FOODS	\$2,487.76	\$1,125.45	\$596.55	\$565.80	\$199.96
HENKEL CORPORATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HOME STYLE FOOD INC.	\$1,367.42	\$1,367.42	\$0.00	\$0.00	\$0.00
HOMEGROWN BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HOODS CLEANERS	\$211.33	\$0.00	\$0.00	\$0.00	\$211.33
HOUGHTON INTERNATIONAL INC.	\$31.51	\$31.51	\$0.00	\$0.00	\$0.00
HOUGHTON INTERNATIONAL INC.	\$345.90	\$36.08	\$18.53	\$10.73	\$280.56
HOUGHTON INTERNATIONAL INC.	\$(2,662.06)	\$0.00	\$0.00	\$0.00	\$(2,662.06)
HUNTINGTON CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IDP, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INDUSTRIAL METAL COATING	\$760.61	\$760.61	\$0.00	\$0.00	\$0.00
INTRASTATE DISTRIBUTORS	\$731.86	\$731.86	\$0.00	\$0.00	\$0.00
ISLAMIC SLAUGHTER HOUSE	\$822.97	\$822.97	\$0.00	\$0.00	\$0.00
ITALIAN BUTTER BREAD STICKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
JAMEX BREWING CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KAR NUT PRODUCTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KOWALSKI SAUSAGES, CO.	\$463.12	\$463.12	\$0.00	\$0.00	\$0.00
KUHNHENN BREWING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LA MICOACANA FLOUR TORTILLA	\$526.85	\$526.85	\$0.00	\$0.00	\$0.00
LA MICOACANA FLOUR TORTILLA	\$43.06	\$43.06	\$0.00	\$0.00	\$0.00
LEAR CORPORATION DBA EAGLE C	\$2,419.28	\$2,419.28	\$0.00	\$0.00	\$0.00
LIBERTY STREET PROD. BREWERY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LILY'S SEAFOOD GRILL & BREWE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
LIQUID ENVIRONMENTAL SOLUTIC	\$3,855.04	\$1,490.56	\$1,131.20	\$920.88	\$312.40
MACDERMID, INC.	\$ (72.52)	\$ (72.52)	\$0.00	\$0.00	\$0.00
MCCLURE'S PICKLES	\$753.75	\$753.75	\$0.00	\$0.00	\$0.00
MCNICHOLS POLISHING & ANODIZ	\$24.48	\$24.48	\$0.00	\$0.00	\$0.00
MELLO MEATS INC, - KUBISCH S	\$66.33	\$66.33	\$0.00	\$0.00	\$0.00
METROPOLITAN BAKERY	\$454.71	\$454.71	\$0.00	\$0.00	\$0.00
MIBA HYDRAMECHANICA CORP.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN DAIRY	\$105,530.47	\$105,530.47	\$0.00	\$0.00	\$0.00
MICHIGAN PROD. MACHINING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MICHIGAN SOY PRODUCTS CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MIDWEST WIRE PRODUCTS, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MILANO BAKERY	\$468.64	\$468.64	\$0.00	\$0.00	\$0.00
MILTON CHILI CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MINNIE MARIE BAKERS, INC	\$2,243.28	\$2,243.28	\$0.00	\$0.00	\$0.00
MISTER UNIFORM & MAT RENTALS	\$ (0.17)	\$0.00	\$0.00	\$0.00	\$ (0.17)
MOTOR CITY BREWING WORKS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NATIONAL CHILI COMPANY	\$220.51	\$220.51	\$0.00	\$0.00	\$0.00
NEAPCO DRIVE LINES	\$1,227.73	\$1,227.73	\$0.00	\$0.00	\$0.00
NORTH CENTER BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTHERN LAKES SEAFOOD & MEAT	\$28.50	\$28.50	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
OAKWOOD BAKERY	\$49.85	\$49.85	\$0.00	\$0.00	\$0.00
OLIVER HATCH CONSTRUCTION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PARKER'S HILLTOP BREWER & SF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PELLERITO FOODS INC.	\$4.03	\$4.03	\$0.00	\$0.00	\$0.00
PEPSI COLA, INC.	\$27,045.61	\$27,045.61	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERDUE PREMIUM MEAT COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERSONAL UNIFORM SERVICE, INC	\$(8.30)	\$0.00	\$(8.30)	\$0.00	\$0.00
PETRO ENVIRON TECH, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PINE TREE ACRES, INC.	\$19,172.36	\$19,172.36	\$0.00	\$0.00	\$0.00
PLATING SPEC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POWER VAC OF MICHIGAN, INC.	\$170.20	\$170.20	\$0.00	\$0.00	\$0.00
PREMIER PLATING, LLC	\$1,425.42	\$1,425.42	\$0.00	\$0.00	\$0.00
PRODUCTION SPRING, LLC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
QUALA SERVICES, LLC	\$34.71	\$34.71	\$0.00	\$0.00	\$0.00
RAY'S ICE CREAM CO.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RED SPOT PAINT #409139	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RIVER ROUGE BREWING COMPANY	\$440.60	\$0.00	\$0.00	\$0.00	\$440.60
ROAK BREWING CO. LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS BEER COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ROCHESTER MILLS PROD BREWERY	\$1,765.08	\$0.00	\$1,083.20	\$0.00	\$681.88
ROYAL OAK BREWERY	\$(128.00)	\$0.00	\$0.00	\$0.00	\$(128.00)

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
RTT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SEAFARER FOODS, INC.	\$36.90	\$36.90	\$0.00	\$0.00	\$0.00
SHERWOOD BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SMITH-WATKINS, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SPRAYTEK, INC.	\$14.52	\$0.00	\$0.00	\$0.00	\$14.52
SUPERNATURAL SPIRITS & BREWING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SWEETHEART BAKERY, INC.	\$118.00	\$99.55	\$18.45	\$0.00	\$0.00
THE CROWN GROUP-LIVONIA PLAN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
THERMO FISHER SCIENTIFIC	\$2,272.14	\$2,272.14	\$0.00	\$0.00	\$0.00
TOM LAUNDRY CLEANERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TRAFFIC JAM & SNUG	\$(31.16)	\$0.00	\$0.00	\$0.00	\$(31.16)
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TURRI'S ITALIAN FOODS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
U-METCO, INC.	\$576.52	\$576.52	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$47,411.68	\$47,411.68	\$0.00	\$0.00	\$0.00
UNCLE RAYS SNACKS, LLC	\$2,750.87	\$2,750.87	\$0.00	\$0.00	\$0.00
UNIQUE LINEN SERVICES, INC.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UNITED FISH DISTRIBUTORS	\$1.81	\$1.81	\$0.00	\$0.00	\$0.00
UNITED LINEN SERVICE, LLC.	\$195.60	\$195.60	\$0.00	\$0.00	\$0.00
UNITED MEAT & DELI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
URBANREST BREWING COMPANY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
US ECOLOGY MICHIGAN	\$481.70	\$481.70	\$0.00	\$0.00	\$0.00

## GLWA Aged Accounts Receivable- POLLUTANT SURCHARGE ACCOUNTS

Balances as of 06/30/22

Customer Name	Total Due	Current	46 - 74 Days	75 - 104 Days	>105 Days
US ECOLOGY ROMULUS, INC.	\$3,428.10	\$3,428.10	\$0.00	\$0.00	\$0.00
USHER OIL SERVICES	\$1,117.31	\$1,117.31	\$0.00	\$0.00	\$0.00
VALICOR ENVIROMENTAL SERVICE	\$644.93	\$644.93	\$0.00	\$0.00	\$0.00
VAUGHAN INDUSTRIES, INC.	\$23.64	\$23.64	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS	\$7,831.43	\$7,831.43	\$0.00	\$0.00	\$0.00
VERNDALE PRODUCTS, INC.	\$5,039.83	\$5,039.83	\$0.00	\$0.00	\$0.00
VERNOR FOOD PRODUCTS	\$26.65	\$26.65	\$0.00	\$0.00	\$0.00
WIGLEY'S MEAT PROCESS	\$375.87	\$375.87	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$1,410.61	\$1,410.61	\$0.00	\$0.00	\$0.00
WINTER SAUSAGE MFG. CO.	\$311.74	\$311.74	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO	\$1,735.79	\$1,735.79	\$0.00	\$0.00	\$0.00
WOLVERINE PACKING CO.	\$2,288.37	\$2,288.37	\$0.00	\$0.00	\$0.00
WOODWARD AVENUE BREWERS	\$144.24	\$0.00	\$0.00	\$0.00	\$144.24
<b>TOTAL POLLUTANT SURCHARGE ACCOUNTS</b>	<b>\$602,197.36</b>	<b>\$595,056.34</b>	<b>\$3,048.14</b>	<b>\$1,514.27</b>	<b>\$2,578.61</b>

## City of Highland Park Billings and Collections

	Water	Sewer	IWC	Cumulative Total
June 30, 2012 Balance	\$ -	\$ 10,207,956	\$ 852,987	\$ 11,060,943
FY 2013 Billings	485,887	4,987,635	154,444	5,627,966
FY 2013 Payments	(65,652)	(2,206,211)	-	(2,271,863)
June 30, 2013 Balance	\$ 420,235	\$ 12,989,380	\$ 1,007,431	\$ 14,417,046
FY 2014 Billings	1,004,357	6,980,442	161,951	8,146,750
FY 2014 Payments	-	(1,612,633)	-	(1,612,633)
June 30, 2014 Balance	\$ 1,424,592	\$ 18,357,189	\$ 1,169,382	\$ 20,951,163
FY 2015 Billings	1,008,032	5,553,123	165,739	6,726,894
FY 2015 Payments	-	(1,444,623)	-	(1,444,623)
June 30, 2015 Balance	\$ 2,432,625	\$ 22,465,689	\$ 1,335,121	\$ 26,233,435
FY 2016 Billings	1,157,178	5,612,167	106,431	6,875,776
FY 2016 Payments	-	(2,022,335)	-	(2,022,335)
June 30, 2016 Balance	\$ 3,589,803	\$ 26,055,521	\$ 1,441,551	\$ 31,086,875
FY 2017 Billings	1,245,267	5,802,000	101,999	7,149,265
FY 2017 Payments	-	(2,309,186)	-	(2,309,186)
June 30, 2017 Balance	\$ 4,835,070	\$ 29,548,335	\$ 1,543,550	\$ 35,926,954
FY 2018 Billings	1,277,179	5,657,101	80,472	7,014,752
FY 2018 Payments	-	(4,108,108)	-	(4,108,108)
June 30, 2018 Balance	\$ 6,112,248	\$ 31,097,327	\$ 1,624,022	\$ 38,833,597
FY 2019 Billings	1,238,797	5,617,100	51,220	6,907,117
FY 2019 Payments	-	(5,241,583)	-	(5,241,583)
June 30, 2019 Balance	\$ 7,351,045	\$ 31,472,844	\$ 1,675,243	\$ 40,499,132
FY 2020 Billings	1,182,639	5,665,400	47,097	6,895,136
FY 2020 Payments	-	(3,026,117)	-	(3,026,117)
June 30, 2020 Balance	\$ 8,533,684	\$ 34,112,127	\$ 1,722,340	\$ 44,368,151
FY 2021 Billings	1,185,506	5,702,000	47,423	6,934,929
FY 2021 Payments	-	(2,783,552)	-	(2,783,552)
June 30, 2021 Balance	\$ 9,719,190	\$ 37,030,575	\$ 1,769,763	\$ 48,519,528
FY 2022 Billings (12 Months)	1,222,260	5,389,300	48,322	6,659,882
FY 2022 Payments (12 Months)	-	(1,788,828)	-	(1,788,828)
<b>Balance as of June 30, 2022</b>	<b>\$ 10,941,450</b>	<b>\$ 40,631,047</b>	<b>\$ 1,818,085</b>	<b>\$ 53,390,582</b>



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Megan Savage, Vendor Outreach Coordinator

**Re:** Business Inclusion & Diversity Program Update

**Background:** On November 25, 2020, the GLWA Board of Directors approved an amendment to the Procurement Policy allowing for the formation of a new Business Inclusion & Diversity (B.I.D.) Program within the Financial Services' Procurement Group. The B.I.D. Program Team, which includes internal GLWA Team Members as well as external consultants, executed a Phase I launch of the program on February 1, 2021 and a Phase II launch on July 1, 2021.

**Analysis:** This month we present tables to recap B.I.D. Program activity from the date of the program launch on February 1, 2021 through August 31, 2022 for procurements budgeted to exceed \$1 million.

### Table 1: B.I.D. Eligible Procurements as of August 31, 2022

Table 1 provides an overview of the total number of B.I.D. Program-eligible Procurements awarded, in evaluation, or advertised as active opportunities in GLWA's Bonfire Procurement Portal. Each vendor who submits a response to a B.I.D. Program-eligible procurement must also submit a Business Inclusion and Diversity Plan. The total number of Diversity Plans that GLWA has received for B.I.D.-eligible procurements that have been awarded and that are in evaluation is also provided.

	Awarded	In Evaluation Phase	Active (Advertised)	Total
Procurements Requiring B.I.D. Submittals	41	7	5	53
Total Number of Diversity Plans Submitted	119	23	n/a	142

### Table 2: Scored Criteria for Awarded Procurements

Table 2 provides a breakdown of the percentage of B.I.D. Program-eligible procurements awarded thus far that met the B.I.D. Program scored criteria. This scored criteria is based on

whether the vendor has a business presence in the state of Michigan, GLWA's Member Partner service area, or a disadvantaged municipality within GLWA's service area.

	Procurements Awarded Meeting B.I.D. Criteria as a % of Total Awards	Total Contract Amount (in millions)
Michigan Location	90%	\$365.3
Member Partner Service Area	85%	\$324.2
Disadvantaged Service Area	61%	\$278.4

**Table 3: Non-Scored Criteria - Disadvantaged, Minority-owned, Women-owned, and Small Businesses**

Table 3 provides a breakdown of the percentage of B.I.D. Program-eligible procurements awarded thus far that met the B.I.D. Program Non-Scored Criteria. This Non-Scored Criteria refers to any diversity certifications that the vendor may hold as a Disadvantaged Business Enterprise (DBE), Minority-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), or Small Business Enterprise (SBE).

	Procurements Awarded as a % of Total Awards	Total Contract Amount (in millions)
Awarded to Disadvantaged, Minority- owned, Women-owned, and Small Businesses	71%	\$303.0

**Table 4: Diversity Certification Percentages**

Table 4 provides a breakdown of the percentage of awarded procurements to SBE (Small Business Enterprise), DBE (Disadvantaged Business Enterprise), MBE (Minority-owned Business Enterprise), and WBE (Women-owned Business Enterprise).

	SBE	DBE	MBE	WBE
Percentage of Awarded Procurements to SBE, DBE, MBE, and WBE	7%	56%	22%	12%
Total Contract Amount (in millions)	\$9.0	\$246.1	\$96.2	\$17.2

**Table 5: Overall Contracts Awarded**

Table 5 provides a breakdown of overall dollars awarded under the B.I.D. Program thus far, distinguishing between firms that met the B.I.D. Program certification criteria (non-scored criteria) and firms that met the three B.I.D. Program geographic criteria (scored criteria).

	Total Contract Count	Total Contract Amount (in millions)
Eligible Procurements	41	\$513.6
Firms that met the certification criteria (non-scored)	29	\$303.0
Firms that met the three geographic criteria (scored criteria)	25	\$278.4

Other activities completed this month to expand awareness of the B.I.D. Program and to foster the development of effective diversity plans included the following.

- Featured addition of Diversity Certification tracking in GLWA's Bonfire Procurement Portal in September 2022 *Procurement Pipeline* newsletter to help make vendors aware of GLWA's efforts to update our Vendor Database and why.
- Continued attendance of the B.I.D. Program Liaison at all Pre-Bid and Pre-Proposal solicitation meetings to overview B.I.D. Program requirements and answer any questions from vendors/contractors.

Additionally, the following tasks remain at the top of our priority list.

- Continued evaluation of the insurance and bonding requirements for small, minority-owned, and disadvantaged business enterprises.
- Identifying meaningful reporting and performances measures.

Please note that Business Inclusion and Diversity (B.I.D.) Program Inaugural Year-in-Review Report was reissued to clarify information that was presented in Table 4. Please see attached reissued report.

**Proposed Action:** Receive and file this report.



Business Inclusion and Diversity (B.I.D.) Program  
Inaugural Year-in-Review  
From Launch in February 2021 through the Fiscal Year  
Ended June 30, 2022 **[Table 4 Updated 9.21.2022]**

The Business Inclusion and Diversity (B.I.D.) Program Year-in-Review Summary includes the following:

1. Report Highlights
2. Background
3. Program Overview and Legal Framework for Establishing Diversity and Inclusion Programming in Michigan
4. Phase I - Benchmarking and Program Implementation
5. Phase II - Program Adjustments and Additions
6. Vendor Outreach & Communication Efforts
7. Program Data Summary (February 1, 2021 through June 30, 2022)
8. Future Opportunities for GLWA's B.I.D. Program

## Report Highlights

- The Business Inclusion & Diversity (B.I.D.) program was launched in February 2021. The first procurement submittal that included the B.I.D. criteria was received on April 27, 2021.
- As of June 30, 2022, GLWA has awarded 34 contracts under the B.I.D. Program requirements totaling \$340.4 million. GLWA has also received and reviewed 145 vendor Diversity Plans that documented efforts to maximize the participation of small, minority-owned, and disadvantaged business enterprises in GLWA's procurement process.
- The B.I.D. Program Team continues to refine B.I.D. Program business processes, conduct internal Team Member training, develop communication materials, and attend outreach events to support and educate the Vendor Community about the B.I.D. requirements.

## Background

Historically, small, minority-owned, and disadvantaged business enterprises within GLWA's service area have faced obstacles to participation in procurements on a competitive basis. On September 23, 2020, the GLWA Board of Directors expressed their desire to strengthen GLWA's commitment to the principles of affordability, equity, and inclusion. The objectives of this effort were to develop and implement a program designed to maximize opportunities for small, minority-owned, and disadvantaged businesses within GLWA's service area so that they may effectively compete and do business with GLWA. In the long-term, such a program would allow GLWA to further support economic development throughout the region, expand its pool of skilled resources, and improve competitive pricing in its procurements.



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On November 25, 2020, the GLWA Board of Directors approved an amendment to the [Procurement Policy](#) allowing for the formation of a Business Inclusion & Diversity (B.I.D.) Program.

**4.5 Business Inclusion and Diversity Plan**

*GLWA is committed to providing business opportunities to vendors who honor the values of inclusion and diversity in selecting their business partners. To foster these values, the solicitation selection will require vendors to submit, for all solicitations budgeted at \$1 million or more, a Business Inclusion & Diversity Plan that addresses their efforts to include Minority-owned Business Enterprise (MBE), Woman-owned Business Enterprise (WBE), Small Business Enterprise (SBE), and Socially and Economically Disadvantaged Business Enterprise (DBE) subcontractors.*

- a. *In support of this commitment, the vendor agrees to ensure that, with regard to any contract entered into pursuant to this procurement policy, inclusion and diversity business enterprises will be afforded full opportunity and will not be discriminated against on the basis of race, color, gender, age, disability, religion, ancestry, marital status, sexual orientation, national origin or place of birth. In recognition of this, the vendor will take steps to ensure maximum participation by qualified diversity businesses in a manner and to the degree that it equals or exceeds standards for its other customers and/or clients.*
- b. *The vendor shall provide methods to maximize opportunity for diversity participation and reporting methods that indicate firms invited, firms recommended for award and other pertinent information*

With the amended policy, the B.I.D. Program Team within the Procurement Group executed a Phase I launch of the program on February 1, 2021 and a Phase II launch on July 1, 2021.

## **Program Overview and Legal Framework for Establishing Diversity and Inclusion Programming in Michigan**

In accordance with GLWA's Procurement Policy, amended on November 25, 2020, all vendors responding to solicitations budgeted at \$1 million or more must fulfill the requirements of the B.I.D. Program. There are two key components of GLWA's B.I.D. Program Requirements: 1) the Business Inclusion and Diversity Plan and 2) the Economic Equity and Development Scored Criteria. These are explained in further detail below.

***Business Inclusion and Diversity Plan***

Under GLWA's B.I.D. Program, a Business Inclusion and Diversity Plan is a mandatory requirement for all vendors responding to solicitations budgeted at \$1 million or more. The



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goal of the Diversity Plan is to demonstrate how the Vendor presented and maximized opportunities for qualified small, minority-owned, and economically disadvantaged business enterprises within GLWA's service area.

A successful Diversity Plan documents the vendor's efforts to include diverse subcontractors and must be specific to the GLWA solicitation. A vendor's Diversity Plan may include (but is not limited to) documentation of the following efforts:

- Targeted outreach to diverse subcontractors;
- Identifying scopes of work that can be broken down into smaller portions; and
- Assisting potential subcontractors in the development of bids and/or quotations.

As part of the Diversity Plan, vendors are also asked to submit any Diversity Certifications that they or their subcontractors hold. GLWA's objective is to make it easy to participate in the procurement process and reduce the administrative burdens required from the Vendor Community. For this reason, GLWA does not act in the capacity of a certifying agency. Instead, it accepts vendor diversity certifications from a federal agency, the state of Michigan, or a Michigan local unit of government. The Diversity Certifications that GLWA seeks from Vendors includes the following:

- Disadvantaged Business Enterprise (DBE);
- Minority-owned Business Enterprise (MBE);
- Small Business Enterprise (SBE); and
- Woman-owned Business Enterprise (WBE).

Each Vendor's Diversity Plan is scored pass/fail. Under the awarded contract, the vendor's Diversity Plan becomes part of the executed contract and may be negotiated during contract finalization. In future, vendor performance and B.I.D. Program compliance monitoring will be assessed during the length and completion of the contract.

***Economic Equity and Development Scored Criteria***

As a regional water authority and partner to the business community, GLWA is committed to providing economic development opportunities within the state of Michigan and the GLWA service area in which we operate. Therefore, in addition to the Diversity Plan, all solicitations budgeted at \$1 million or more include the following scored criteria:

- 1% — Business Presence<sup>1</sup> in the State of Michigan;
- 1% — Business Presence in GLWA service area; and

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<sup>1</sup> A "business presence" in the State of Michigan indicates that a business is eligible to be a Certified Michigan Based Business as defined by State of Michigan law: a) files a Michigan single business tax return; b) has a Michigan income tax return statement showing income generated in, or attributed to, the state of Michigan; or c) withheld Michigan income tax from compensation paid to vendors/owners and remitted to the Michigan Department of Treasury.



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- 1% — Business Presence in a designated, economically disadvantaged municipality<sup>2</sup> within GLWA's service area.

A cumulative total of 3% points may be added to a vendor's overall bid or proposal score. In both a Request for Bid (RFB) and Request for Proposal (RFP), this means that 97% out of a possible total of 100% refers to the vendor's bid or proposal, with the remaining 3% accounted for by the B.I.D. solicitation scored criteria.

To receive these percentage points, Vendors complete and submit a B.I.D. Program Questionnaire in GLWA's Bonfire Procurement Portal indicating if they have a business presence in the above three categories. A full list of the qualifying communities and counties within GLWA's service area are always identified in the GLWA solicitation documents.

***Legal Framework for Establishing Diversity and Inclusion Programming in Michigan***

GLWA's B.I.D. program was created to align with case law that defines the boundaries of diversity and inclusion programming within the state of Michigan. In 2006, Michigan voters approved Proposal 2, or the Michigan Civil Rights Initiative. This initiative, and subsequent amendment to the Michigan Constitution ([Article I, §26 Affirmative Action Programs](#)) "bans affirmative action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity, or national origin for public employment, education, or contracting purposes," with the exception of those institutions that are required to maintain affirmative action policies in order to receive federal funding.

This law was followed by two Attorney General Opinions (the [2007 Attorney General Mike Cox Opinion](#) regarding the City of Grand Rapids' Equal Business Opportunity Construction Policy and the [2018 Attorney General Bill Schuette Opinion](#) regarding the Michigan State Housing Development Authority's Equal Employment Opportunity Policy) which concluded that governmental entities within the State of Michigan were not prohibited from establishing and implementing diversity and inclusion programming, but that any such programming could not offer "preferential treatment" on the basis of sex or racial classifications and therefore must be achieved through race- and sex-neutral means only.

The 2006 amendment to Michigan's Constitution, and the subsequent Attorney General opinions, has impacted how public entities in Michigan, including GLWA, are able to implement business diversity programs, the type of activities they can conduct, and the key performance metrics and goals they can establish for their programs. The results of these limitations are primarily reflected in the limitation or absence of equalization credits, key performance metrics, and goals related to vendor diversity for GLWA's B.I.D. Program.

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<sup>2</sup> An "economically disadvantaged" municipality within GLWA's service area is designated as having one of the five lowest median household incomes in that respective county as defined by the U.S. Census Bureau every five years.



## Phase I - Benchmarking and Program Implementation

During the development phase of the B.I.D. Program, GLWA engaged the services of Public Sector Consultants (PSC) to undertake Program Benchmarking. PSC worked with GLWA leadership and staff to identify a list of 14 business diversity programs in Michigan and other states that merited consideration for review based on these organizations' purchasing profiles and geographical reach. PSC collected publicly available information and developed profiles for each business diversity program. In addition, PSC conducted phone interviews with program staff or sent a list of questions via email. Input from 10 programs was received and reviewed that represented a cross-section of peer utilities, including other water and wastewater authorities, airport authorities, electricity and natural gas utilities, universities, and county and state government.

PSC's benchmarking efforts revealed and helped to further establish GLWA's B.I.D. Program as a leading diversity and inclusion program within the state of Michigan. In studying peer organizations attempting to navigate the legal boundaries on diversity and inclusion programming in Michigan, GLWA learned from these organizations' challenges and designed a simple, straightforward, and practical program that both leverages the certifying work of federal, state, and local agencies, and encourages greater small business vendor participation in GLWA's procurement process without imposing burdensome requirements, something that is especially important for small businesses with less experience and fewer administrative resources.

In addition to program benchmarking, GLWA also hosted focus group discussions to gather feedback and reactions on GLWA's B.I.D. Program. Two vendor focus groups were held on December 14, 2020 and January 12, 2021 which included representatives from construction, engineering/architecture, financial, and janitorial service firms. An additional focus group was held with eight Michigan-based professional associations on January 25, 2021.

Internal outreach and training on the B.I.D. Program were also conducted in advance of the program launch to ensure that GLWA Team Members across all operating units were made aware of the program and understood its key requirements. This effort included Procurement Team training on January 22, 2021 and January 29, 2021 as well as presentations to GLWA's business units. Internal outreach and training efforts also continued during the early months of the Phase I rollout with presentations to GLWA's Executive Leadership Team on March 2, 2021 and informative features on the program launch and requirements in the *Procurement Pulse*, a quarterly internal newsletter produced by the Procurement Team for GLWA Team Members.

The B.I.D. Program Team executed a Phase I launch of the B.I.D. Program on February 1, 2021. The Phase I launch focused on the core program criteria and its impact on procurement submittals. This was followed by a more comprehensive Phase II program



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launch on July 1, 2021. The gradual program rollout enabled GLWA to learn, receive feedback, and refine our processes.

## Phase II - Program Adjustments and Additions

After the Phase II Program launch, B.I.D. Program business processes were further streamlined and refined to increase program effectiveness and efficiency. The B.I.D. Program Requirements guidelines document that is included with all B.I.D. qualifying solicitations was modified based upon lessons learned from vendor submissions. The form was modified to reflect a “form” or “template” style document which fostered the development of more effective Diversity Plans by focusing Vendors’ attention on the information requested. This updated form also enabled GLWA Procurement Team Members greater ease and efficiency in reviewing and evaluating the Diversity Plans.

In addition, GLWA Contract templates were also reviewed, and specific language is currently being added regarding the B.I.D. Program to reinforce the importance of this program. This language will also provide the Procurement Team with the opportunity to conduct compliance monitoring with the Vendor’s Diversity Plan.

Lastly, the B.I.D. Program Team met with our GLWA insurance provider to discuss ways to lessen the challenges small companies may have in complying with GLWA’s insurance and bonding requirements. Short of GLWA taking on this risk ourselves, no substantial solution has yet been identified, but we continue to look for ways to address this challenge.

## Vendor Outreach & Communication Efforts

Communication with and support of the Vendor Community was a central focus of the B.I.D. Program Team during year one of the program’s launch. The B.I.D. Program Team drafted communication materials and resources, or “B.I.D. Program Vendor Guides”, including several features in GLWA’s monthly *Procurement Pipeline* newsletter as well as an informative PowerPoint presentation on the B.I.D. Program requirements.

GLWA also delivered presentations on the B.I.D. Program at speaking engagements sponsored by various local federal, state, and municipal organizations. Since the B.I.D. Program launched in February 2021, the B.I.D. Program has participated in eight Vendor Outreach events, hosted by the Michigan Department of Transportation (MDOT), Southwest Michigan Procurement Technical Assistance Center (SWMI PTAC), Pure Michigan Business Connect (PMBC), Macomb PTAC, and the U.S. Small Business Administration (SBA).

The B.I.D. Program Team/GLWA has also hosted virtual vendor introduction meetings where vendors can ask questions about the B.I.D. Program in a one-on-one setting. Since the Program launch in February 2021, GLWA has hosted over 20 Vendor Introduction meetings. The B.I.D. Program Team is also a regular participant in GLWA-hosted Capital Improvement



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Project (CIP) Workgroup meetings, where information and updates on the B.I.D. Program are regularly provided.

In addition, the Vendor Management Team has participated in all GLWA Pre-Bid and Pre-Proposal meetings that have included the B.I.D. Program requirements since the program launch in February 2021. During these meetings a program overview is provided along highlighting the steps to successfully submitting a diversity and inclusion plan for the solicitation being discussed. Vendors are also afforded the opportunity to ask any questions and network with other vendors.

Lastly, GLWA has also been an invited speaker at the Michigan Intergovernmental Trade Network (MITN) Cooperative on May 21, 2021 and June 18, 2021 to overview and educate procurement professionals throughout the state of Michigan on the design, development, and implementation of the B.I.D. Program. GLWA was also an invited speaker at the Michigan Public Purchase Officer's Association (MPPOA) October 2021 conference to speak on the B.I.D. Program alongside other peer diversity and inclusion programs in Michigan.

## Program Data Summary (February 1, 2021 Through June 30, 2022)

The B.I.D. Program data tables included below recap B.I.D. activity from the date of the program launch on February 1, 2021 through June 30, 2022 for GLWA procurements budgeted to exceed \$1 million.

***Table 1 - B.I.D. Eligible Procurements as of June 30, 2022***

Table 1 provides an overview of the total number of B.I.D. Program-eligible Procurements awarded, in evaluation, or advertised as active opportunities in GLWA's Bonfire Procurement Portal. Each vendor who submits a response to a B.I.D. Program-eligible procurement must also submit a Business Inclusion and Diversity Plan. The total number of Diversity Plans that GLWA has received for B.I.D.-eligible procurements that have been awarded and that are in evaluation is also provided.

	Awarded	In Evaluation Phase	Active (Advertised)	Total
Procurements Requiring B.I.D. Submittals	34	13	3	50
Total Number of Diversity Plans Submitted	98	47	n/a	145

***Table 2 - Scored Criteria for Awarded Procurements***

Table 2 provides a breakdown of the percentage of B.I.D. Program-eligible procurements awarded thus far that met the B.I.D. Program scored criteria. This scored criteria is based



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on whether the vendor has a business presence in the state of Michigan, GLWA's Member Partner service area, or a disadvantaged municipality within GLWA's service area.

	Procurements Awarded Meeting B.I.D. Criteria as a % of Total Awards	Total Contract Amount (in millions)
Michigan Location	88%	\$192.1
Member Partner Service Area	82%	\$151.0
Disadvantaged Service Area	52%	\$89.6

**Table 3 - Non-Scored Criteria - Disadvantaged, Minority-owned, Women-owned, and Small Businesses**

Table 3 provides a breakdown of the percentage of B.I.D. Program-eligible procurements awarded thus far that met the B.I.D. Program Non-Scored Criteria. This Non-Scored Criteria refers to any diversity certifications that the vendor may hold as a Disadvantaged Business Enterprise (DBE), Minority-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), or Small Business Enterprise (SBE).

	Procurements Awarded as a % of Total Awards	Total Contract Amount (in millions)
Awarded to Disadvantaged, Minority-owned, Women-owned, and Small Businesses	65%	\$121.0

**Table 4 - Overall Contracts Awarded - Revised 9.21.2022**

Table 4 provides a breakdown of overall dollars awarded under the B.I.D. Program thus far, distinguishing between firms that met **all four the** B.I.D. Program **scoring certification criteria (including scored and non-scored criteria)** and firms that met the three **geographic** criteria (scored criteria only).

	Total Contract Count	Total Contract Amount (in millions)
Eligible Procurements	34	\$340.4
Firms that met <b>four the</b> <b>certification</b> criteria <b>(non-scored)</b>	22	\$121.0
Firms that met the <b>three</b> <b>geographic</b> criteria <b>three criteria (scored criteria)</b>	<b>12-29</b>	<b>\$219.4-\$187.3</b>



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## Future Opportunities for GLWA's B.I.D. Program

Since the B.I.D. Program's inception, the B.I.D. Program Team has learned that in most projects involving local labor, attention to diversity and inclusion (D&I) is common and regularly incorporated into vendors' sourcing practices. For vendors who are familiar with D&I, developing a Diversity and Inclusion Plan to fulfill B.I.D. Program requirements often dovetails with work they already routinely do and in many cases is a company priority.

The B.I.D. Program Team has also identified business sectors that are not as familiar with incorporating D&I programming into their sourcing practices. For these vendors, D&I programming requirements, such as the B.I.D. Program, can be perceived as an additional administrative burden that is not applicable to the goods and/or services that they supply.

Therefore, one important future direction for GLWA's B.I.D. Program includes raising awareness of D&I programming and practices as an opportunity for vendors across all business sectors to improve their own sourcing capabilities. To this end, the GLWA B.I.D. Program Team views future outreach and education opportunities as crucial to further growing and developing the B.I.D. Program and its impact on the small, minority-owned, and disadvantaged business community.



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Matthew S. Lane, MPA, Charges Outreach and Modeling Manager

**Re:** Member Partner Update

**Background:** The Charges Outreach and Modeling Team was established in Fiscal Year FY 2023 as part of the Financial Management & Planning Group to facilitate internal communication and external outreach with GLWA Member Partners as it relates to the charge methodology and charge-related financial matters. This team also serves as liaison between GLWA and third-party consultants in the development, maintenance and review of the annual water and sewer charges.

**FY 2023 Charge Modifications:** At this time, there are no charge modifications included in the proposed 1<sup>st</sup> quarter budget amendments. There were no exceedances as a result of the 2022 Max Day/Peak Hour calculations. The 2022 GLWA Max Day/Peak Hour Annual Report is included in this month's Audit Committee report for your review.

**FY 2024 Charges Rollout Update:** Great Lakes Water Authority cross-functional teams have been working together to establish the Fiscal Year 2024 Charges Rollout Schedule.

- a. Rollout Meeting #1 is expected to take place in late October.
- b. Subsequent Rollout Meetings are being planned in alignment with the FY 2024 and FY 2025 budget planning and CIP processes.

### Ad Hoc Member Partner Engagements:

1. Madison Heights- Open Valve and Billing Concerns
  - a. *GLWA Teams Involved:* Finance, Outreach, Water and Field Services and System Analytics & Meter Operations
  - b. *Engagement Status:* GLWA and City Staff are collaborating to determine root cause and establish an equitable remedy.
  - c. *Resolution:* TBD
2. Highland Park - Member Partner Partial Payments, GLWA Legal Team can provide more information.
  - a. *GLWA Teams Involved:* Finance, Outreach, Legal
  - b. *Engagement Status:* Pending Litigation with Highland Park, On-going discussions with Member Partners.
  - c. *Resolution:* TBD

3. Farmington Hills - 14-Mile Water Main Break
  - a. *GLWA Teams Involved:* Finance, Outreach, Field Services and System Analytics & Meter Operations
  - b. *Engagement Status:* Water Main Break Review Team engaged.
  - c. *Resolution:* TBD

**Look Ahead:**

1. Charges Work Group - The next meeting is September 22, 2022.
  - a. This group is made up of Member Partners and staff from GLWA. It was established to review water charge methodology and to make recommendations regarding potential changes.
    - i. There is also a Water Charges Methodology Review Subgroup made up of interested volunteer Member Partners convened to work closely with GLWA on the technical analysis and provide input on charges scenarios. The Subgroup meets twice per month and reports its findings and updates to the Charges Work Group every other month.
2. Third-Party Rate Consultant
  - a. The Water Charges Methodology Review Subgroup provided input to GLWA that a rate consultant should be considered to provide technical expertise as we pursue methodology structures.
  - b. As a result of this feedback, GLWA has engaged Raftelis Financial Consultants, Inc. (Raftelis) to assist in conducting a water charges methodology review. Changes, if any, would be considered for implementation in FY 2025. GLWA Procurement and Legal are working to establish a contract with the consultant.
  - c. A scope of work was established and will follow these phases:
    - *Phase 1:* Launch & Design: May 2022 – June 2022
    - *Phase 2:* Discovery & Data Gathering: June 2022 – Jan. 2023
    - *Phase 3:* Testing & Validation: January 2023 – June 2023
    - *Phase 4:* Finalize & Communicate: June 2023 – November 2024
3. One Water Partnership Meeting - the next meeting is September 29, 2022.
  - a. The Charges Outreach and Modeling Team will be attending and participating.

**Proposed Action:** Receive and file report.



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Matthew S. Lane MPA, Charges Outreach and Modeling Manager

**Re:** Max Day/Peak Hour Annual Report

**Background:** At the end of summer annually, the Great Lakes Water Authority (GLWA) staff reviews the daily water system pumpage and reservoir data to determine the System Maximum Day (Max Day) and the hourly water system pumpage and reservoir data to determine the System Peak Hour (Peak Hour).

Once the Max Day and Peak Hour are determined, GLWA reviews the daily and hourly performance for all Member Partners on the water model contracts as of that date to evaluate compliance with the values set forth in the Exhibit B of each Member Partner's model contract. GLWA completes this analysis using the wholesale master meter data available in GLWA's Wholesale Automated Meter Reading (WAMR) portal.

**Analysis:** Based on the system pumpage and reservoir analysis completed for 2022, the System Max Day and Peak Hour are as follows:

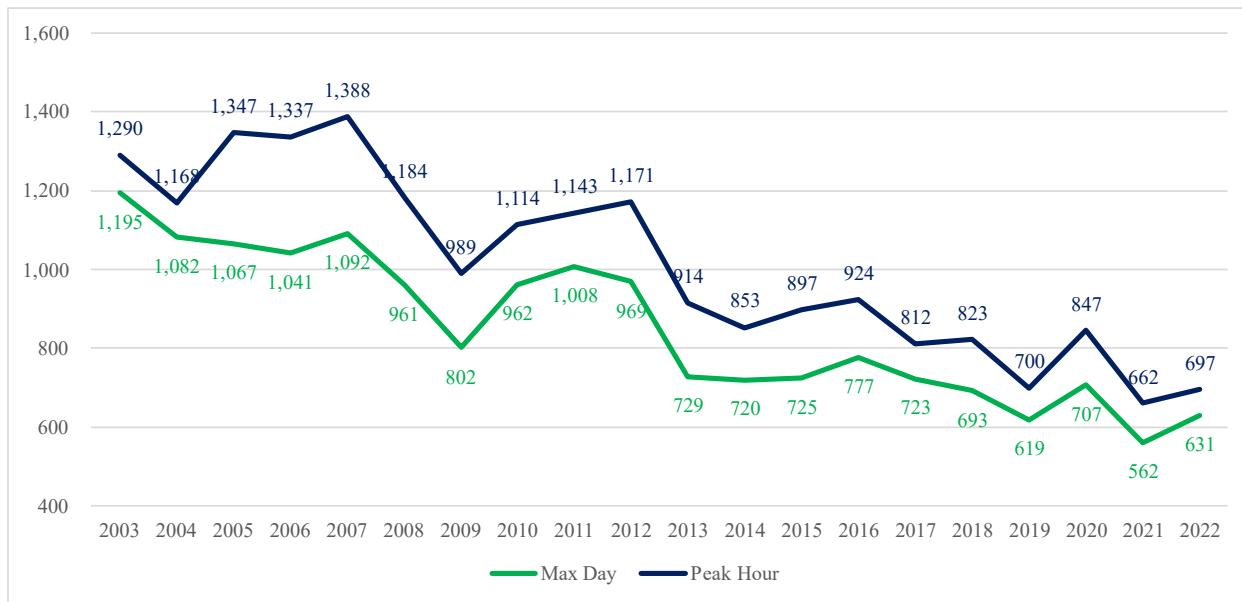
2022 GLWA System Max Day:

- July 19, 2022
- 631 MGD (562 MGD in 2021)

2022 GLWA System Peak Hour:

- 7:00 – 8:00 pm EST
- 697 MGD (662 MGD in 2021)

Chart 1 – Historical Max Day / Peak Hour



This is an increase of 35 MGD and 69 MGD respectively over the prior year, as depicted in Chart 1. After review of the WAMR data from July 19, 2022, GLWA staff determined that no Member Partners exceeded either the Max Day or Peak Hour Value in their model contract.

**Proposed Action:** Receive and file report.

The Quarterly Shared Services Report includes the following:

1. Key Takeaways
2. Background
3. Summary of Billings and Payments
4. Final Cost of Service
5. Percentage of Final Cost of Service Paid
6. Next Steps

## Key Takeaways

- All Final Cost of Services calculated by DWSD for FY 2018 has been agreed to and paid by GLWA.
- FY 2019 and FY 2020 represent 79% of the remaining balances due from DWSD for Final Cost of Service for all open years (GLWA provider).
- FY 2019 and FY 2020 represent 84% of the remaining balances due from GLWA for Final Cost of Service for all open years (DWSD provider).
- The remaining balances for FY 2021 and FY 2022 represent the difference between original billings and the estimated final costs of services for both DWSD and GLWA.

## Background

The Great Lakes Water Authority (GLWA) and the Detroit Water and Sewerage Department (DWSD) are parties to a Shared Services Agreement (the Agreement) dated December 1, 2015. This agreement provides the framework for shared services for the efficient operation of both entities.

Invoices are prepared monthly. While the intent is for the monthly invoices to represent actual costs, the reality is that the timing of certain vendor invoices and accumulation of internal charges requires a “True-up” process that results in an agreed upon Final Cost of Service. It is also the intent for the parties to transmit payment monthly utilizing estimates for service provided. Section 5.1 of the Agreement states, “Payments for services shall be payable monthly.”

## Summary of Billings and Payments

GLWA and DWSD have been exchanging invoices for services since January 1, 2016, the start of the Agreement. A history of this activity and applicable payments is summarized in two tables. **Table 1 – GLWA as a Service Provider** reflects activity in which GLWA is the provider and is billing DWSD for services and **Table 2 – DWSD as a Service Provider** reflects activity in which DWSD is the provider and is billing GLWA for services.

The tables show the original billed amount based on budgeted amounts. The True Up column represents any adjustments made to accurately reflect the final costs for each shared service. The final column represents the balances due for the final costs of service after True Ups. Please note that the final cost of service for FY2020, FY2021 and FY2022 include estimated final costs by the shared services teams from both DWSD and GLWA. These estimates are used where there are known adjustments needed to the original billed amounts.

**Table 1 – GLWA as Service Provider (FY 2022 Billings through June 30, 2022)**

Fiscal Year	Billed	True Up	Final Cost of Service	Paid	Balance Due from DWSD for Final Cost of Service
<b>FY2016</b>	\$ 4,781,194	\$ 3,311,838	\$ 8,093,032	\$ 8,093,032	\$ -
<b>FY2017</b>	9,378,922	3,076,854	12,455,776	12,455,776	-
<b>FY2018</b>	7,477,116	171,010	7,648,126	6,768,255	879,871
<b>FY2019</b>	8,924,209	(2,868,239)	6,055,970	298,445	5,757,525
<b>FY2020 (E)</b>	5,012,664	(61,317)	4,951,347	158,789	4,792,558
<b>FY2021 (E)</b>	4,524,788	370,897	4,895,685	4,041,484	854,201
<b>FY2022 (E)</b>	2,488,898	404,943	2,893,841	1,906,792	987,049
<b>Subtotal</b>	<b>\$ 42,587,791</b>	<b>\$ 4,405,986</b>	<b>\$ 46,993,777</b>	<b>\$ 33,722,573</b>	<b>\$ 13,271,204</b>

**Table 2 – DWSD as Service Provider (FY 2022 Billings through June 30, 2022)**

Fiscal Year	Billed	True Up	Final Cost of Service	Paid	Balance Due from GLWA for Final Cost of Service
<b>FY2016</b>	\$ 2,543,735	\$ 5,004,004	\$ 7,547,739	\$ 7,547,739	\$ -
<b>FY2017</b>	4,722,364	(1,077,584)	3,644,780	3,644,780	-
<b>FY2018</b>	3,491,083	1,275,249	4,766,332	4,766,332	-
<b>FY2019 (E)</b>	4,130,896	701,154	4,832,050	1,133,395	3,698,655
<b>FY2020 (E)</b>	4,130,896	124,638	4,255,534	559,562	3,695,972
<b>FY2021 (E)</b>	2,004,000	526,000	2,530,000	2,058,000	472,000
<b>FY2022 (E)</b>	1,980,000	620,000	2,600,000	1,650,000	950,000
<b>Subtotal</b>	<b>\$ 23,002,974</b>	<b>\$ 7,173,461</b>	<b>\$ 30,176,435</b>	<b>\$ 21,359,809</b>	<b>\$ 8,816,626</b>

## Final Cost of Service

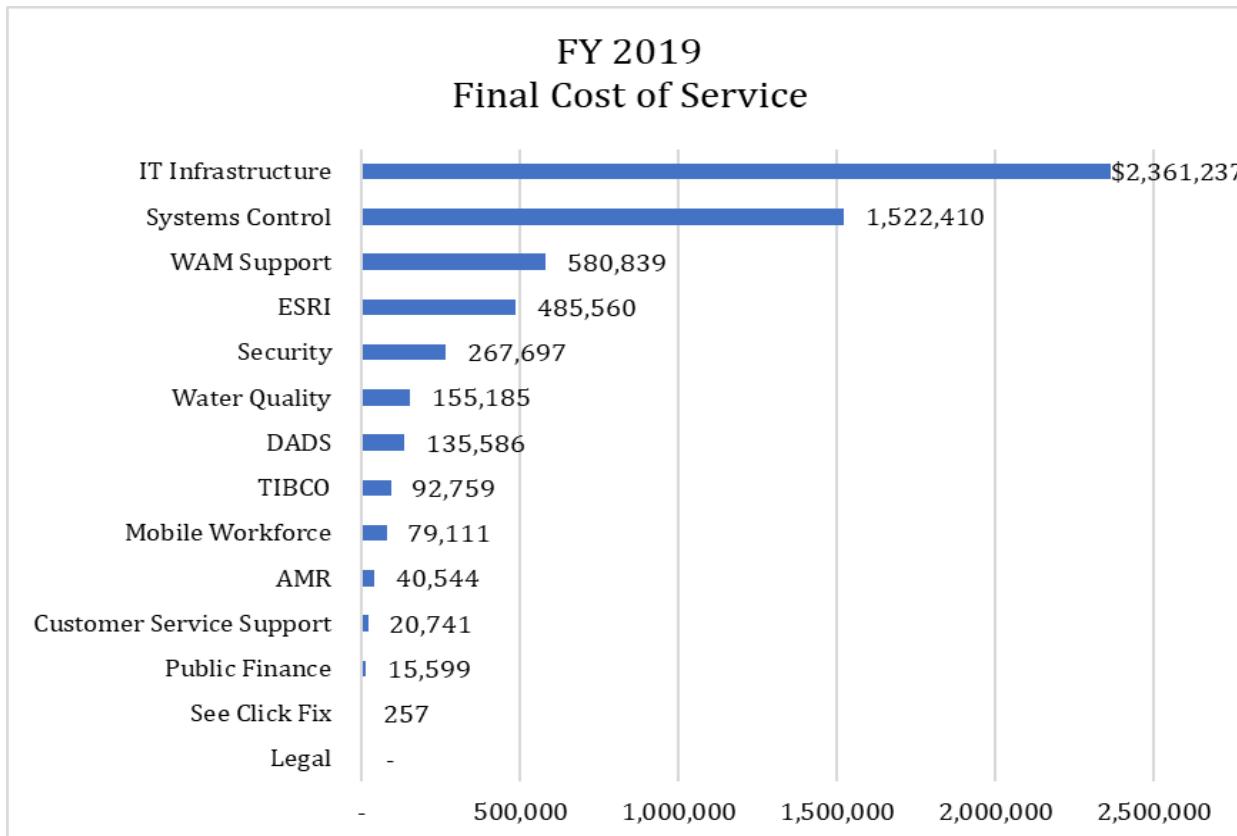
The purpose of this section is to provide an analysis for the final cost of each shared service due to GLWA from DWSD for the fiscal years that GLWA and DWSD are focused on. The tables below highlight the final cost of service for GLWA provided services because there are a limited number of services that DWSD provides during FY 2019 and FY 2020.

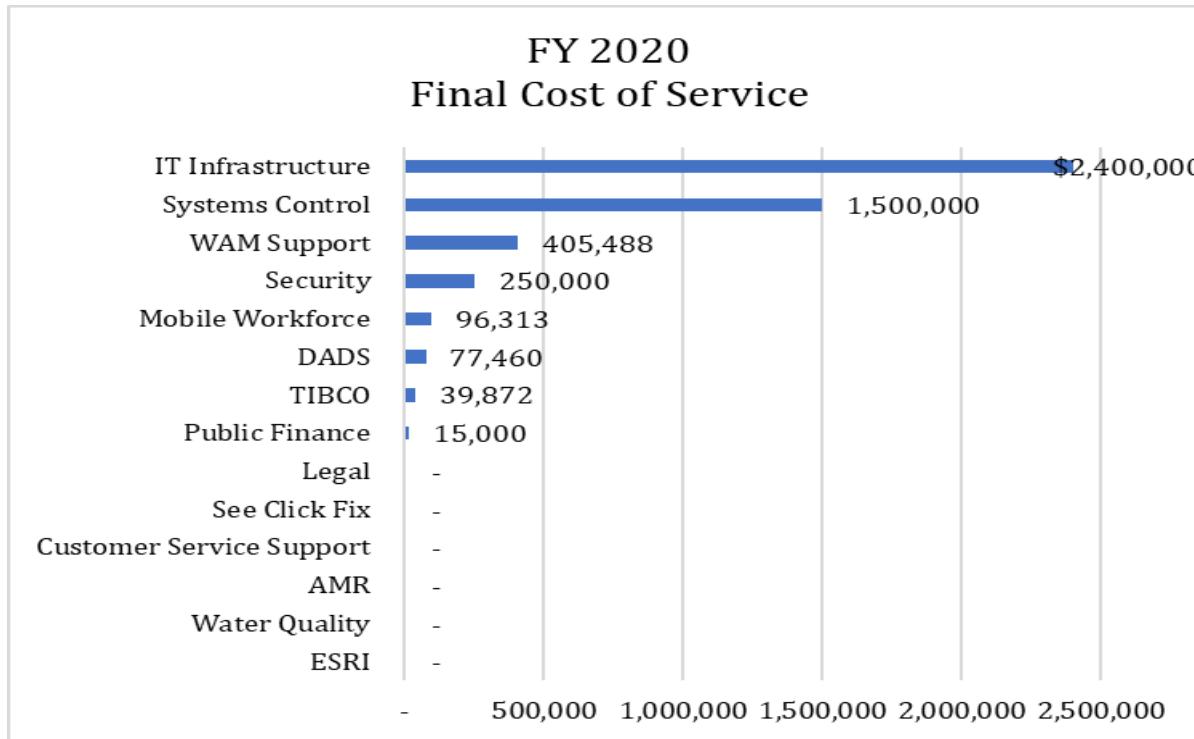
**Table 3 – FY 2019 Final Cost of Service by Shared Service (GLWA Provider)** reflects all of the Shared Services, including those that have the largest cost of service for GLWA to provide  
*All amounts are unaudited unless otherwise noted.*

to DWSD. As you can see in the table below IT Infrastructure has a final cost of \$2,361,237 or 39% of the total final cost of services. Systems Control is the next largest final cost of service at \$1,522,410 or 25% of the total final cost of services.

**Table 4 – FY 2020 Final Cost of Service by Shared Service (GLWA Provider)** reflects all of the Shared Services, including those that have the largest cost of service for GLWA to provide to DWSD. As you can see in the table below IT Infrastructure has an estimated final cost of \$2,400,000 or 50% of the total final cost of services. Systems Control is the next largest estimated final cost of service at \$1,500,000 or 31% of the total final cost of services.

**Table 3 – FY 2019 Final Cost of Service by Shared Service (GLWA Provider)**



**Table 4 – FY 2020 Final Cost of Service by Shared Service (GLWA Provider)**


GLWA has prepared and provided DWSD a True Up for each shared service that GLWA provides for FY 2019. The True Ups were provided as they were completed, GLWA recognized that the FY 2018 negotiations impacted the FY 2019 True-Ups. As these items were agreed to, GLWA made the appropriate changes to the FY 2019 True-Ups.

The GLWA shared services team is working on the True Ups for FY 2020. The True Ups will be provided to DWSD when completed.

DWSD has provided the True Up for FY 2019 for shared Facilities. DWSD has not provided the Fleet True Up for FY 2019 or FY 2020. No payments have been made to DWSD for FY 2019 through June 30, 2022.

### Percentage of Final Cost of Service Paid

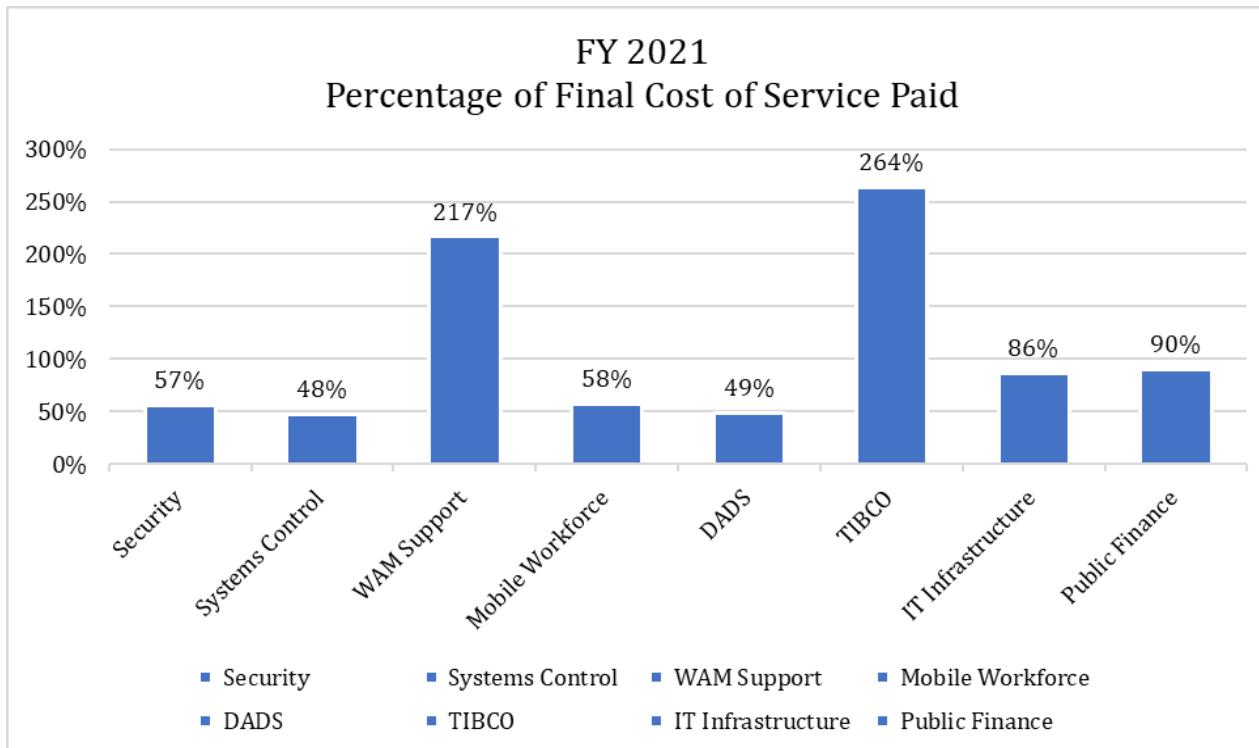
During FY 2021 and FY 2022 DWSD and GLWA both made monthly payments based on invoices sent to each entity. The amounts billed by both parties are based on budgeted amounts that are determined by each entity at the beginning of the fiscal year.

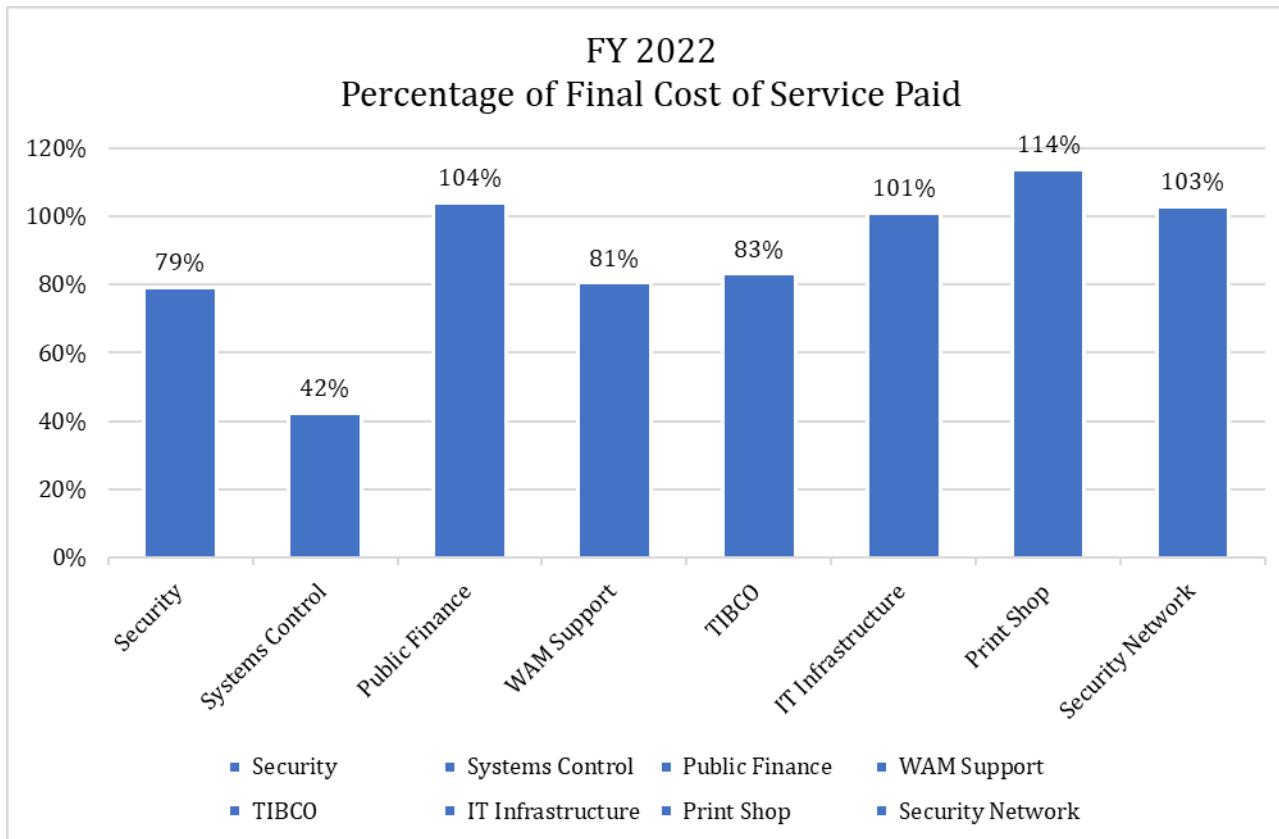
GLWA has remaining payments for each year due to differences between the billed amount and the estimated final cost of service. In FY 2021 GLWA owes on two Shared Services that remain. These shared services are for costs associated with WAM invoices and shared facilities costs. In FY 2022 there is only one remaining shared service that DWSD provides. This is for the shared Facilities costs.

**Table 5 – FY 2021 Percentage of Final Cost of Service Paid (GLWA Provider)** reflects the percentage of expected final cost of service payments that DWSD has made to GLWA through June 30, 2022. During FY 2022 two shared services True Ups (WAM Support and TIBCO) were calculated and the final cost of service was less than the billed amount. We anticipate overpayments will be reallocated to shared services with outstanding balances.

**Table 6 – FY 2022 Percentage of Final Cost of Service Paid (GLWA Provider)** reflects the percentage of expected final cost of service payments that DWSD has made to GLWA through June 30, 2022.

**Table 5 – FY 2021 Percentage of Final Cost of Service Paid by DWSD (GLWA Provider)**



**Table 6 – FY 2022 Percentage of Final Cost of Service Paid by DWSD (GLWA Provider)**

## Next Steps

Before the end of the next quarter GLWA and DWSD anticipate the following steps to occur:

- DWSD and GLWA shared services teams will meet weekly
- DWSD and GLWA will focus on completing analysis and payments for FY 2019 open items
- GLWA shared services team will complete FY 2020 analyses



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** Dana Bierer, CPA, Manager - Special Projects

**Re:** Grants, Gifts, and Other Resources Report through July 31, 2022

**Background:** The Great Lakes Water Authority (GLWA) delegated authority to the Chief Executive Officer to oversee and report on activities identified in the GLWA Articles of Incorporation related to solicitation and receipt of grants, gifts, and other resources as stated in Article 4 – Powers, Section B (4):

(4) Solicit, receive, and accept gifts, grants, labor, loans, contributions of money, property, or other things of value, and other aid or payment from any federal, state, local, or intergovernmental government agency or from any other person or entity, public or private, upon terms and conditions acceptable to the Authority, or participate in any other way in a federal, state, local, or intergovernmental government program.

Other resources in this context refer to labor, contributions of money, property, or other things of value from any other person or entity, public or private with the exception for loans, subject to provisions of the GLWA Board Debt Management Policy, and Intergovernmental agreements and other activities that are addressed in the GLWA Board Procurement Policy.

Participation in any other way in a federal, state local, or intergovernmental government program includes participation in research projects at universities.

Refer to the Grants, Gifts, and Other Resources Delegation Policy at [Grants, Gifts, and Other Resources Delegation Policy - GLWA \(glwater.org\)](http://glwater.org).

**Analysis:** To ensure transparency and timely communication, this report is provided to the Board, no less than quarterly, documenting activities subject to the policy. The report will, at a minimum, include description, type of activity, dollar amount, compliance and/or performance requirements, if any, and status including, at a minimum, solicitation, acceptance, and close-out.

**Bolded items** in the attached tables reflect changes from the prior report.

Highlights of this quarter's report includes the following.

- ✓ FEMA increased the small project threshold under major disasters and emergencies to \$1 million. This change is intended to shorten the process for reimbursement requests through FEMA. This applies to both DR-4494-MI, Michigan Covid-19 Pandemic, and DR-4607-MI, Michigan Severe Storms, Flooding, and Tornadoes.
- ✓ FEMA DR-4494-MI, Michigan Covid-19 Pandemic, has a large project that was obligated for more than \$1.8 million for costs incurred from March-June 2020 for emergency protective measures. This \$1.8 million is included in \$3 million expected to be reimbursed in FY2023.
- ✓ DOE application under review - GLWA applied for a \$1.875 million Renewable Energy Research and Development Grant focused on converting organic wet waste to transportation fuels. \$1.5 million would be funded by the DOE, \$295k will be matched by GLWA and \$80k will be matched by a sub-recipient. The DOE review process is expected to be completed before December 2022.
- ✓ Collaborative project initiated in June 2022 with Wayne State University to create a workforce and laboratory center of the future for \$584k at Water Works Park.

This report presents the Grants, Gifts, and Other Resources across three tables.

***Table 1 - Grant Submissions*** reflects open FY2020, FY2021, FY2022 submissions, and FY2023 submissions to date. The summarized activity provided identifies six programs with 11 reimbursement requests and one new application.

***Table 2 - Participation in Other Federal, State, Local or Intergovernmental Programs*** reflects open FY2020, FY2021, FY2022 projects, and FY2023 project submissions to date. The summarized activity provided identifies 17 projects with GLWA as a contributor and/or participant with efforts being conducted by a university or government program.

***Table 3 - Closed Programs*** reflects 10 programs with 10 reimbursement requests and receipts in FY2021, FY2022, and FY2023 through July 31, 2022.

**Proposed Action:** Receive and file this report.



## Financial Services Audit Committee Communication

**Table 1 - Grant Submissions** reflects open FY2020, FY2021, FY2022, and FY2023 submissions to date. The summarized activity provided identifies six programs with 11 grant reimbursement request submissions and one new application, separately identified.

**Table 1 - Grant Submissions**

Reference Number	Request Date	Program Description	Type of Activity	Amount Requested	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-002a	09/15/2020	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 144208	Federal Grant (Reimbursement Basis)	\$1,858,713	Federal Audit Requirements (add to existing audit program)	State is reviewing	Dana Bierer
2022-005	03/25/2022	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 553713	Federal Grant (Reimbursement Basis)	\$573,325	Federal Audit Requirements (add to existing audit program)	State is reviewing	Dana Bierer
2022-006	03/03/2022	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 149797-Amended	Federal Grant (Reimbursement Basis)	\$103,592	Federal Audit Requirements (add to existing audit program)	FEMA is reviewing	Dana Bierer
2022-007	05/27/2021	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 149800	Federal Grant (Reimbursement Basis)	\$16,123	Federal Audit Requirements (add to existing audit program)	State is reviewing	Dana Bierer
2022-008	06/23/2022	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 676268	Federal Grant (Reimbursement Basis)	\$470,475	Federal Audit Requirements (add to existing audit program)	State is reviewing	Dana Bierer

Reference Number	Request Date	Program Description	Type of Activity	Amount Requested	Compliance and/or Performance Requirements	Status	Team Member Contact
2022-009	06/26/2022	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 676489	Federal Grant (Reimbursement Basis)	\$79,557	Federal Audit Requirements (add to existing audit program)	State is reviewing	Dana Bierer
2022-010	07/01/2022	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 677321	Federal Grant (Reimbursement Basis)	\$70,039	Federal Audit Requirements (add to existing audit program)	State is reviewing	Dana Bierer
2022-002	01/06/2022	Federal Emergency Management Agency (FEMA), June 25-26 Flood, DR-4607 Multiple projects including two mitigation projects	Federal Grant (Reimbursement Basis)	\$1,070,000	Federal Audit Requirements (add to existing audit program)	Pending application completion	Dana Bierer
2022-004	02/23/2022	Water Technician Registered Apprenticeship Program- \$2,225 per apprentice, 25 apprentices	Macomb Community College Tuition	\$55,625	None	\$4,208 received; Ongoing	Patricia Butler
2021-003	02/18/2021	The Michigan Department of Environment, Great Lakes, and Energy (EGLE) Watershed Council Support Program	State Grant (Reimbursement Basis)	\$40,000	Quarterly Progress Reports	\$4,050 received 06/27/2022; Ongoing	Dan Gold
2021-007	06/23/2021	United States Environmental Protection Agency - EGLE Surface Water Intake Protection Program (SWIPP)	Federal Grant (Reimbursement Basis)	\$50,000	Quarterly Progress Reports Match \$50,000	\$7,106 received 08/09/2022; Ongoing	Mary Lynn Semegen and Terry Daniel
2022-014	06/06/2022	Department of Energy Renewable Energy Research and Development	Federal Grant (Reimbursement Basis)	\$1,500,000	Quarterly Progress Reports Match \$275,000	Applied	John Norton

**Table 2 Participation in Other Federal, State, Local or Intergovernmental Programs** reflects all open FY2020, FY2021, FY2022 projects, and FY2023 projects to date. The summarized activity provided identifies 17 projects with GLWA as a contributor and/or participant in research being conducted by a university or government program.

**Table 2 - Participation in Other Federal, State, Local, or Intergovernmental Programs**

Reference Number	Start Date	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-004	Pre-FY 2019	Phosphorus & Oxygen Control; Collection System Optimization Contract 1900169	Multiple Projects with University of Michigan	<b>\$210,259</b> <b>(Life to date through FY2022)</b> \$246,823 (Contract amount)	None	Ongoing	John Norton
2020-005	FY2020	PFAS Health & Ecological Impacts Contract 1902151	Wayne State University Project	<b>\$140,491</b> <b>(Life to date through FY2022)</b> \$192,153 (Contract amount)	None	Ongoing	John Norton
2020-007	FY2020	Transport/Fate of Nutrients in Biosolids Contract 1902059	Michigan State University Project	<b>\$246,802</b> <b>(Life to date through FY2022)</b> \$277,470 (Amended contract amount)	None	Ongoing	John Norton
2020-009	07/22/2020	Implementation of LTCP modeling Contract 2001434	University of Michigan Project	<b>\$528,676</b> <b>(Life to date through FY2022)</b> \$636,702 (Contract amount)	None	Ongoing	John Norton
2020-010	08/01/2020	Microplastics and Human Health Contract 1904710, <b>2103303</b>	Wayne State University Project	<b>\$137,177</b> <b>(Life to date through FY2022)</b> \$195,000 (Contract amount)		Ongoing	John Norton

Reference Number	Start Date	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-008, 2020-013	08/01/2020	Surveillance of Covid-19 in Southeast MI Wastewater- Expanded project scope- Phase 1, Phase 2, Phase 3, Phase 4  Contract 2001402	State of Michigan/ CDM Smith and Michigan State University	<b>\$232,560</b> <b>(Life to date through FY2022)</b>  GLWA receiving samples and analytics.  \$267,458 (Contract amount) (Project worth \$3,200,000)	None	Ongoing	John Norton
2020-014	12/29/2020	Assessing biosolid treatment processes on pollutant environmental fate on plant uptake  Contract 2103714	US Environmental Protection Agency (EPA)/ Michigan State, Colorado State, and University of Georgia	\$100,000 and in-kind labor for program participation (Contract amount) (Project worth \$1,498,000)	None	Ongoing	John Norton
2021-004	03/17/2021	Project GREEEN-Accumulation of Per- and Polyfluoroalkyl Substances in Historically Archived Corn and Wheat Grains  <b>Contract 2103224</b>	Michigan State University Project	\$20,000 (Contract amount) (Project worth \$69,999)	None	Ongoing	John Norton

Reference Number	Start Date	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status	Team Member Contact
2021-005	05/04/2021	Converting Biosolids into Diesel	Department of Energy (DOE)/ Pacific Northwest National Labs (PNNL)	In-kind labor and facility for research and analysis with PNNL (Project worth \$740,750)	None	Ongoing	John Norton
2021-008	07/12/2021	Method Development for Detection of Human Sources of Fecal Contamination in the Watershed Contract 2100771	Wayne State University Project	<b>\$50,198</b> (Life to date through FY2022)  \$297,560 (Contract amount)	None	Ongoing	John Norton
2021-009	03/30/2021	Life cycle assessment Contract 2001595	University of Michigan Project	<b>\$65,464</b> (Life to date through FY2022)  \$234,726 (Contract amount)	None	Ongoing	John Norton
2021-010	02/11/2021	Prestressed concrete cylinder pipe (PCCP) Study on Loss of Preload <b>Contract 2101210</b>	Tarrant Regional Water District	\$20,000 (Contract amount) (Project worth \$100,000)	None	Ongoing	John Norton
2021-011	04/29/2021	Integrated biochemical electrochemical technologies (IBET)	University of Michigan Project	\$312,500 and in-kind labor and facility for program participation (Contract amount; Project worth \$6,790,983)	None	Ongoing	John Norton

Reference Number	Start Date	Program Description	Type of Activity	Amount to be Provided	Compliance and/or Performance Requirements	Status	Team Member Contact
2021-012	11/19/2021	Michigan Industry Cluster Approach 3.0 (MICA 3.0) Employer Partnership	Focus: Hope	GLWA leading employer collaboration (Project worth \$250,000)	None	Ongoing	Patricia Butler
2022-011	10/05/2021	Volatile Fatty Acid Analysis Contract 2102174	Wayne State University Project	\$28,499 (Life to date through FY2022) \$62,600 (Contract amount)	None	Ongoing	John Norton
2022-012	01/26/2022	Data Driven Decision Making Framework Contract 2102864	University of Michigan Project	\$89,408 (Life to date through FY2022) \$590,179 (Contract amount)	None	Ongoing	John Norton
2022-013	06/10/2022	Create Workforce and Laboratory of the Future at Water Works Park Contract 2104064	Wayne State University Project	\$584,114 (Contract amount)	None	Ongoing	John Norton

**Table 3 Closed Programs** reflects 10 programs with 10 reimbursement requests and receipts in FY2021, FY2022, and FY2023 through July 31, 2022.

**Table 3 - Closed Programs**

Reference Number	Request Date	Program Description	Type of Activity	Amount	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-001	08/31/2020; 09/23/2020; 10/26/2020; 11/23/2020	Wage Incentive used for qualified apprentices	MOU with DESC (Detroit Employment Solutions Corporation) and SER-Metro Detroit	\$12,000 (\$3,000 per month)	Minimum wage and monthly work hour requirements	\$12,000 received	Patricia Butler
2020-002b	11/11/2020	Federal Emergency Management Agency (FEMA) activity related to COVID-19  Project 149797	Federal Grant (Reimbursement Basis)	\$84,244	Federal Audit Requirements (add to existing audit program)	\$84,244 received 10/14/2021	Dana Bierer
2020-002c	02/09/2021	Federal Emergency Management Agency (FEMA) activity related to COVID-19  Project 149800	Federal Grant (Reimbursement Basis)	\$16,123	Federal Audit Requirements (add to existing audit program)	\$16,123 received 10/14/2021	Dana Bierer
2020-003	Pre-FY 2019	Anaerobic Digestion Project CS-217	Michigan State University Project	<b>\$355,742 (Life to date through FY2022)</b> \$355,800 (Contract amount)	None	<b>Completed</b>	John Norton
2020-006	FY2020	Lake Huron to Lake Erie Monitoring Platform; Photocatalytic UV materials	Multiple Projects with Wayne State University	\$1,284,500 (Contract amount)	None	Program not initiated; no resources provided	John Norton

Reference Number	Request Date	Program Description	Type of Activity	Amount	Compliance and/or Performance Requirements	Status	Team Member Contact
2020-011	Pre-FY2020	Smart Pipes Contract 1900902	University of Michigan Project	<b>\$356,460 (Life to date through FY2022)</b> \$356,610 (Contract amount)	None	Completed	John Norton
2020-012	Pre-FY2020	Phosphorus and Oxygen Control; Collection System Optimization Contract 1900169	Multiple Projects with University of Michigan	\$250,000 (Contract amount)	None	Program incorporated into similar 2020-004 program	John Norton
2021-001	01/01/2021	The Michigan Department of Environment, Great Lakes, and Energy (EGLE) Drinking Water Asset Management (DWAM) Grant CS-198	State Grant (Reimbursement Basis)	\$998,047	None	Not received	Jody Caldwell
2021-002	02/01/2021	Southeast Michigan Council of Governments (SEMCOG) Infrastructure Asset Management Program	Organization of Local Governments (Reimbursement Basis)	\$29,951	None	\$29,951 received 02/18/2021	Jody Caldwell
2021-006	06/21/2021	Improving Arrested Anaerobic Digestion Using Vacuum-Based IntensiCarb Reactors	DOE, Office of Energy Efficiency and Renewable Energy/ University of California Irvine	In-kind labor for program participation (Project worth \$3,875,000)	None	Program not initiated; no resources provided	John Norton
2021-013	12/28/2021	Federal Emergency Management Agency (FEMA) activity related to COVID-19 Project 552205	Federal Grant (Reimbursement Basis)	\$36,014	Federal Audit Requirements (add to existing audit program)	<b>\$36,014 received 06/27/2022</b>	Dana Bierer

Reference Number	Request Date	Program Description	Type of Activity	Amount	Compliance and/or Performance Requirements	Status	Team Member Contact
2022-001a	03/03/2022	Federal Emergency Management Agency (FEMA) activity related to COVID-19  Project 435200	Federal Grant (Reimbursement Basis)	\$92,033	Federal Audit Requirements (add to existing audit program)	<b>\$92,033 received 06/27/2022</b>	Dana Bierer
2022-001b	03/03/2022	Federal Emergency Management Agency (FEMA) activity related to COVID-19  Project 553382	Federal Grant (Reimbursement Basis)	\$63,842	Federal Audit Requirements (add to existing audit program)	<b>\$63,842 received 06/27/2022</b>	Dana Bierer
2022-003	01/20/2022	Federal Emergency Management Agency (FEMA), Building Resilient Infrastructure and Communities (BRIC)  Northwest Interceptor Diversion Tunnel	Federal Grant (Reimbursement Basis)	\$39,611,007	Federal Audit Requirements (add to existing audit program)  Match \$13,203,669	<b>Not received</b>	Jody Caldwell



## Financial Services Audit Committee Communication

**Date:** September 23, 2022

**To:** Great Lakes Water Authority Audit Committee

**From:** William Baker, Professional Administrative Analyst, Construction Accounting & Financial Reporting

**Re:** FY 2022 Q4 Construction Work-in-Progress Report through June 30, 2022  
(Unaudited)

**Background:** The quarterly construction work-in-progress (CWIP) provides information and analysis related to the execution of the Great Lakes Water Authority capital improvement program (CIP).

**Analysis:** The attached documents summarize the FY 2022 Q4 CWIP positions and provides a detailed snapshot to inform decision makers and stakeholders.

Proposed Action: Receive and file this report.



**Construction Work-in-Progress Quarterly Report  
(Unaudited)**

**As of June 30, 2022**

**For questions, please contact:**

**William Baker**  
**Construction Accounting and Financial Reporting**  
**Phone: 313.378.9760**  
**Email: [william.baker@glwater.org](mailto:william.baker@glwater.org)**

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**September 23, 2022**

**To Our Stakeholders:**

The contents of this report represent the financial presentation of construction work-in-progress activity for the Great Lakes Water Authority (GLWA) as of June 30, 2022. The information in this report presents a detailed snapshot and is important as we track the execution of the FY 2023–2027 Capital Improvement Plan (CIP) and look to inform decision makers as we evaluate the draft FY 2024–2028 CIP.

As we continue to refine this report to better communicate pertinent information to inform decision makers and stakeholders, content and formatting may be changed. With the summary of active projects now regularly being reported to the Capital Planning Committee the project highlights previously being reported have been removed from this report.

**Report Contents and Organization**

*Construction Work-in-Progress (CWIP) Appendices:* Includes breakdown by jurisdiction which provides a summary of the planned and actual project activity by the jurisdictions identified within the FY 2022 – 2026 Board Approved CIP Plan, detailed CWIP rollforward, which lists all projects in the CIP along with financial activity. These tables may be used to revisit priorities, workload, and phasing. In addition, this section contains project amendment summaries which consider the award of CIP contracts and the related execution thereof may result in deviations from the amount and timing of project activity. Project amendments are prepared to fund the related increase or decrease with either an adjustment to Capital Reserve or Program / Allowance accounts to amend the board approved fiscal year CIP accordingly and to inform decision makers in the development of future Capital Improvement Plans.

**Financial Information**

All project amounts are unaudited. This means that direct contractor costs are generally included in these totals with most pay estimates entered through June 30, 2022. There may, however, be some pay estimates that lag. The totals do not include indirect overhead.

## Budget vs. Plan

Generally, GLWA's CIP projects span two or more fiscal years. The GLWA Board of Directors adopts a biennial "budget" and a five-year capital improvement "plan".

- ✓ The adopted **budget** relates to operations and maintenance expense, annual fixed commitments such as debt service, and incremental adjustments to reserves. The budget provides authority to spend within defined amounts. The budget is also referred to as the "revenue requirement" for the utility.
- ✓ After contracts are awarded at amounts variant from the CIP plan and more reliable anticipated spend data becomes available, the amended budget for the current fiscal year may increase or decrease by way of "Capital Reserve" budget amendments.
- ✓ The five-year capital improvement **plan** is a rolling plan that is updated at an administrative tracking level as projects move from estimated to actual bid numbers. An updated mid-cycle CIP would be presented to the Board for approval if the prioritization strategy was revised and/or the plan was in need of material revisions.
- ✓ In addition, the Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established.

## Construction Work-in-Progress Quarterly Report

As of June 30, 2022

**Executive Summary**

The rate of spend is a key performance indicator. The development of the FY 2022-2026 and related CIP Plan for FY 2022 were based on anticipation of FY 2022 activity resulting in 75% of planned spend. Effective June 22, 2022, GLWA Board of Directors adopted a capital spending ratio (SRA) of 95.0% for the Water system and 69.8% for the Wastewater system.

The Water System spend for the period ending June 30, 2022, is 88.7% of the FY 2022 board approved CIP, 88.2% of the FY 2022 board approved CIP with project amendments, and 93.4% of the FY 2022 Capital Spending Rate Assumption (SRA). Detailed analysis of the projects for which FY 2022 Board Approved CIP was amended from \$179,210,481 to \$180,250,867 is provided in the subsequent Project Amendment Summary appendix of this report.

The Wastewater System spend for the period ending June 30, 2022, is 66.5% of the FY 2022 board approved CIP, 70.4% of the FY 2022 board approved CIP with project amendments, and 95.3% of the FY 2022 Capital Spending Rate Assumption (SRA). Detailed analysis of the projects for which FY 2022 Board Approved CIP was amended from \$106,050,041 to \$100,248,682 is provided in the subsequent Project Amendment Summary appendix of this report.

Water System Projects	FY 2021	FY 2021	FY 2021	FY 2022 Prorated (Twelve Months)	FY 2022	FY 2022
		Activity	Percentage		(Unaudited)	Activity Percentage
FY 2021 Board Approved CIP	\$ 147,564,000	\$ 131,687,819	89.2%			
FY 2021 Board Approved CIP With Project Amendments	149,084,720	131,687,819	88.3%			
FY 2021 Capital Spend Rate Assumption (SRA)	110,673,000	131,687,819	119.0%			
FY 2022 Board Approved CIP			\$ 179,210,481	\$ 179,210,481	\$ 158,984,475	88.7%
FY 2022 Board Approved CIP With Project Amendments			180,250,867	\$ 180,250,867	158,984,475	88.2%
FY 2022 Capital Spend Rate Assumption (SRA)			170,249,957	\$ 170,249,957	158,984,475	93.4%

Wastewater System Projects	FY 2021	FY 2021	FY 2021	FY 2022 Prorated (Twelve Months)	FY 2022	FY 2022
		Activity	Percentage		(Unaudited)	Activity Percentage
FY 2021 Board Approved CIP	\$ 110,638,000	\$ 85,051,935	76.9%			
FY 2021 Board Approved CIP With Project Amendments	110,180,582	85,051,935	77.2%			
FY 2021 Capital Spend Rate Assumption (SRA)	82,978,500	85,051,935	102.5%			
FY 2022 Board Approved CIP			\$ 106,050,041	\$ 106,050,041	\$ 70,532,064	66.5%
FY 2022 Board Approved CIP With Project Amendments			100,248,682	\$ 100,248,682	70,532,064	70.4%
FY 2022 Capital Spend Rate Assumption (SRA)			74,022,928	\$ 74,022,928	70,532,064	95.3%

## **Appendix A - Construction Work-in-Progress Rollforward Summaries by Jurisdiction**

The purpose of the construction work-in-progress (CWIP) summary rollforward by jurisdiction is to provide a high-level overview of the financial status of the projects identified within the current board approved CIP by their jurisdiction. Within the FY 2022 – 2026 Board Approved CIP Plan, projects are identified and categorized as either City of Detroit, Wayne County - Outside Detroit, Lapeer County, Macomb County, Oakland County, Saint Clair County or Multiple Counties and reflected accordingly in this report.

**\$272.9** million is in CWIP as of June 30, 2022 as shown for the Water System in A1.

**\$193.0** million is in CWIP as of June 30, 2022 as show for the Wastewater System in A2.

The order of these appendices on the subsequent pages are in ascending by jurisdiction alphabetically.

**Great Lakes Water Authority****Water System Construction Work-in-Progress (CWIP) FY 2022 Rollforward Summary By Jurisdiction****Unaudited Activity For the Fiscal Quarter Ended June 30, 2022**

Jurisdiction	Total Project Plan		CWIP Balance July 1, 2021	FY 2022 Board Approved CIP	FY 2022 Board		FY 2022 Activity through June 30, 2022	CWIP Balance June 30, 2022
	Estimate from FY 2022-2026 CIP				Approved CIP	With Project Amendments		
City of Detroit	\$ 603,366,840	\$ 58,438,128	\$ 37,084,101	\$ 37,329,200	\$ 53,726,402	\$ 81,436,384		
Lapeer County	5,937,124	1,154,458	3,962,267	3,962,267	178,038	1,332,496		
Mutiple Counties	386,207,886	40,301,434	17,176,543	16,130,562	25,290,851	50,555,675		
Oakland County	276,954,686	19,579,122	55,618,942	55,539,197	37,342,440	56,921,561		
Saint Clair County	199,416,920	13,545,671	10,660,756	11,633,756	5,256,812	9,935,379		
Wayne County - Outside Detroit	881,825,559	71,834,216	54,707,871	55,655,885	37,189,932	72,772,563		
<b>Grand Total</b>	<b>\$ 2,353,709,015</b>	<b>\$ 204,853,029</b>	<b>\$ 179,210,481</b>	<b>\$ 180,250,867</b>	<b>\$ 158,984,475</b>	<b>\$ 272,954,060</b>		

**Great Lakes Water Authority****Wastewater System Construction Work-in-Progress (CWIP) FY 2022 Rollforward Summary By Jurisdiction****Unaudited Activity For the Fiscal Quarter Ended June 30, 2022**

Jurisdiction	Total Project Plan		CWIP Balance July 1, 2021	FY 2022 Approved CIP	FY 2022 Board		FY 2022 Activity through June 30, 2022	CWIP Balance June 30, 2022
	Estimate from FY 2022-2026 CIP	Board			Approved CIP With Project Amendments			
City of Detroit	\$ 1,311,840,369	\$ 165,620,802	\$ 73,893,106	\$ 69,405,390	\$ 48,891,112		\$ 157,189,051	
Multiple Counties	422,491,975	24,943,729	32,156,934	30,843,291		20,615,381		34,875,489
Wayne County - Outside Detroit	47,820,767	555,754	-	-		1,025,570		1,035,923
<b>Grand Total</b>	<b>\$ 1,782,153,110</b>	<b>\$ 191,120,285</b>	<b>\$ 106,050,041</b>	<b>\$ 100,248,682</b>	<b>\$ 70,532,064</b>		<b>\$ 193,100,463</b>	

## Appendix B - Construction Work-in-Progress Rollforwards

The purpose of the construction work-in-progress (CWIP) rollforward is to analyze the current year activity for each project in relation to the overall capital improvement program as well as the project portfolio overall.

As part of our project life cycle review the CA&FR team identifies when it is appropriate for projects to be capitalized. Projects are to be capitalized when they have been completed in totality or are inclusive of identifiable assets that have been placed in service. Capitalization of project cost occurred in the FY 2022 4th quarter for the following projects:

<b><u>Project</u></b>	<b><u>Contract</u></b>	<b><u>Description</u></b>
114008	1802774	1930 Sedimentation Basin Sluice Gates, Guides & Hoists Improvement
114016	2001456	Springwells Water Treatment Plant 1958 Settled Water Conduits Concrete Pavement Replacement
122003	1803258	Northeast Flow Control Facility Design Build Services
122004	1900741	96" Main Relocation Route Study, Condition Assessment & DB Contractor Oversight
122005	CS-259	As-needed Engineering Services for Schoolcraft Water Main
122006	1803621	Wick Road Parallel Work – 48" Water Transmission Main
170801	1900744	Implay, WCS, LH, SP, SW Reservoir Inspection
216007	1701516	DTE Primary Electric 3 <sup>rd</sup> Feed Supply to WRRF/Consulting Engineering

## Construction Work-in-Progress Quarterly Report

As of June 30, 2022

232002	CON-109	Emergency Refurb of Storm Pumps 5 & 7
260505	1902658	Rehabilitation of CSO Outfalls – Phase IV
260603	CON-234	Conner Creek CSO Basin Rehabilitation
260615	1902040	Site Improvement at Leib & Puritan Fenkell CSO Facilities
277001	1902908	Baby Creek CSO Effluent Conduit Access & Sedimentation Mitigation

**\$272.9** million is in CWIP as of June 30, 2022, as shown for the Water System in B1.

**\$193.0** million is in CWIP as of June 30, 2022, as shown for the Wastewater System in B2.

The order of these appendices on the subsequent pages are in ascending order by CIP project number.

**Great Lakes Water Authority**  
**Water System Construction Work-in-Progress (CWIP) FY 2022 Rollforward**  
**Unaudited Activity For the Fiscal Quarter Ended June 30, 2022**

Project	Project Name	Total Project Plan Estimate from FY 2022-2026 CIP	CWIP Balance July 1, 2021	FY 2022 Board Approved CIP	FY 2022 Board Approved CIP With Project Amendments		FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense through June 30, 2022		CWIP Balance June 30, 2022	Life to Date Activity Through June 30, 2022	Life to Date Total Project Plan Estimate
					Board	With Project		June 30, 2022	June 30, 2022			
111001	Energy Management: Lake Huron Water Treatment Plant Low Lift Pumping Improvements	\$ 57,178,250	\$ 1,897,571	\$ 1,962,266	1,962,266	\$ 1,020,679	\$ -	\$ 2,918,249	\$ 2,918,249	\$ 2,918,249	\$ 2,918,249	5%
111002	LHWTP Backflow Replacement	8,705,313	-	-	-	-	-	8,717,768	-	8,717,768	-	100%
111004	Electrical Tunnel Rehabilitation at Lake Huron WTP	3,892,689	-	-	-	-	-	3,892,299	-	3,892,299	-	100%
111006	Replacement of Filter Instrumentation and Raw Water Flow Metering Improvements at Lake	16,789,745	1,273,880	5,196,046	5,196,046	7,642	-	1,281,522	1,281,522	1,281,522	1,281,522	8%
111007	Lake Huron WTP-Raw Sludge Clarifier and Raw Sludge Pumping System Improvements	9,181,107	8,448,408	184,222	184,222	418,696	8,867,103	-	8,867,103	-	8,867,103	97%
111008	LHWTP Architectural Programming - Lab	1,196,283	-	-	-	-	-	-	-	-	-	0%
111009	Lake Huron WTP-35 MGD HLP, Flow Meters	30,480,734	1,726,061	1,061,103	1,061,103	1,309,030	-	3,035,092	3,035,092	3,035,092	3,035,092	10%
111010	Lake Huron Water Treatment Plant -Filtration and Pretreatment Improvements	42,206,783	-	-	-	-	-	-	-	-	-	0%
111011	Lake Huron WTP Pilot Plant	3,247,998	198,694	1,719,487	1,719,487	2,038,020	-	2,236,714	2,236,714	2,236,714	2,236,714	69%
111012	LHWTP-Flocculation Improvements	26,538,016	1,057	537,632	1,510,632	462,745	-	463,802	463,802	463,802	463,802	2%
112002	Low Lift Pumping Plant Caisson Rehabilitation at Northeast WTP	1,172,880	-	-	-	-	-	1,169,962	-	1,169,962	-	100%
112003	NE WTP High Lift Pumping Electrical	71,545,621	223,875	173,058	173,058	312,466	-	536,340	536,340	536,340	536,340	1%
112005	Northeast Water Treatment Plant - Replacement of Covers for Process Water Conduits	1,088,655	937,879	4,892	4,892	-	937,879	-	937,879	-	937,879	86%
112006	Northeast Water Treatment Plant Flocculator Replacements	11,316,013	254,450	2,521,861	2,521,861	79,368	-	333,817	333,817	333,817	333,817	3%
113001	Southwest Water Treatment Plant, Sludge Treatment & Waste Wash water Treatment Facilit	-	-	-	-	20,182	171,079	20,182	191,262	191,262	191,262	0%
113002	High Lift Pump Discharge Valve Actuators Replacement at Southwest WTP	6,728,375	-	501,031	501,031	-	5,798,535	-	5,798,535	-	5,798,535	86%
113003	Replacement of Butterfly Valves	21,811,953	110	-	-	(110)	-	-	-	-	-	0%
113006	SW WTP Chloring Scrubber	7,330,660	204,126	4,683,170	2,805,737	2,278,587	-	2,482,713	2,482,713	2,482,713	2,482,713	34%
113007	Architectural and Building Mechanical	3,167,022	-	-	-	-	-	-	-	-	-	0%
114001	Springwells Water Treatment Plant 1958 Filter Rehabilitation and Auxiliary Facilities	80,828,071	-	-	-	-	-	99,764,892	-	99,764,892	-	123%
114002	Springwells Water Treatment Plant - Low Lift and High Lift Pump Station	224,221,541	12,944,042	16,546,006	16,546,006	9,523,623	-	22,467,665	22,467,665	22,467,665	22,467,665	10%
114003	Water Production Flow Metering Improvements at NE, SW, and SPW WTP	8,155,919	0	-	-	-	-	8,167,884	0	8,167,884	0	100%
114005	Springwells WTP Admin Building Improvements	9,259,571	1,178,639	3,660,252	3,660,252	32,996	-	1,211,635	1,211,635	1,211,635	1,211,635	13%
114006	Replacement of Rapid Mix Units at Springwells WTP 1958 Process Train	-	10,674	-	-	-	-	1,021,039	10,674	1,031,712	1,031,712	0%
114007	Powder Activated Carbon Systems	4,020,591	-	-	-	-	-	-	-	-	-	0%
114008	1930 Sedimentation Basin Sluice Gates, Guides & Hoists Improvements at Springwells WTP	13,923,254	11,142,286	2,484,952	2,484,952	611,639	-	11,753,925	11,753,925	11,753,925	11,753,925	84%
114010	Yard Piping Improvements	200,471,687	531,529	1,568,415	1,568,415	1,173,516	-	1,705,045	1,705,045	1,705,045	1,705,045	1%
114011	Steam, Condensate Return, and Compressed Air Piping Improvements at Springwells WTP	25,540,354	18,464,648	5,373,516	5,373,516	5,757,736	277,017	23,945,367	24,222,384	24,222,384	24,222,384	95%
114012	Springwells Water Treatment Plant 1930 Filter Building-Roof Replacement	3,911,148	-	-	-	-	-	3,911,148	-	3,911,148	-	100%
114013	Springwells Reservoir Fill Line Improvements	4,923,914	-	-	-	-	-	4,706,751	-	4,706,751	-	96%
114016	Springwells Water Treatment Plant 1958 Settled Water Conduits Concrete Pavement Replacement	2,280,781	428,322	566,115	901,115	1,153,408	1,566,470	15,260	1,581,730	1,581,730	1,581,730	69%
114017	Springwells Water Treatment Plant Flocculator Drive Replacement	12,358,115	189,943	370,545	370,545	705,951	-	895,893	895,893	895,893	895,893	7%
114018	Springwells Water Treatment Plant - Service Building Electrical Substation and Miscellaneous Improvements	1,544,706	-	80,013	80,013	-	-	-	-	-	-	0%

**Great Lakes Water Authority**  
**Water System Construction Work-in-Progress (CWIP) FY 2022 Rollforward**  
**Unaudited Activity For the Fiscal Quarter Ended June 30, 2022**

Project	Project Name	Total Project Plan Estimate from FY 2022-2026 CIP	CWIP Balance July 1, 2021	FY 2022 Board Approved CIP With Project Amendments		FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense through June 30, 2022		CWIP Balance June 30, 2022	Life to Date Activity Through June 30, 2022	Life to Date Activity / Total Project Plan Estimate
				FY 2022 Board Approved CIP	FY 2022 Board Approved CIP		FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense through June 30, 2022			
115001	Yard Piping, Valves and Venturi Meters Replacement at Water Works Park	54,815,232	5,749,771	6,321,527	6,808,728	6,287,245	-	12,037,016	12,037,016	22%	
115003	Comprehensive Condition Assessment at Waterworks Park WTP	514,004	-	-	-	-	-	-	-	0%	
115004	Water Works Park WTP Chlorine System Upgrade	6,892,656	9,563	-	-	-	6,957,032	9,563	6,966,596	101%	
115005	WWP WTP Building Ventilation Improvements	4,923,595	563,444	522,778	522,778	201,071	-	764,514	764,514	16%	
115006	Water Works Park Site/Civil Improvements	5,881,718	-	-	-	-	-	-	-	0%	
115007	Water Works Park High Lift Pumping Station Modernization	88,946,247	-	280,105	280,105	-	-	-	-	0%	
Pennsylvania, Springwells and Northeast Raw Water Supply Tunnel Improvements											
116002	based on	94,880,203	25,947,664	8,359,585	8,359,585	25,480,321	4,685,231	51,427,985	56,113,216	59%	
116005	Belle Isle Seawall Rehabilitation	1,831,677	-	318,843	76,741	702	-	702	702	0%	
116006	Belle Isle Intake System Rehabilitation and Improvements	350,000	-	-	-	-	-	-	-	0%	
122003	New Waterworks Park to Northeast Transmission Main	143,217,044	21,324,515	14,593,187	14,593,187	13,631,488	29,790,267	5,165,736	34,956,003	24%	
122004	96-inch Main Relocation, Isolation Valves Installations, and New Parallel Main	144,852,077	9,673,781	2,576,909	4,776,651	6,547,427	148,741	16,072,467	16,221,208	11%	
122005	Replacement Schoolcraft Watermain	15,325,893	6,260,526	7,606,560	7,606,560	8,037,130	13,656,834	640,821	14,297,655	93%	
122006	Transmission System Water Main Work-Wick Road Parallel Water Main	22,419,614	17,132,964	4,773,529	5,244,294	5,374,383	20,751,264	1,756,084	22,507,348	100%	
Design and Construction of a new Newburgh Road 24" Main along Newburgh Road											
122007	between Ch	22,154,359	1,805	26,909	26,909	(1,805)	-	-	-	0%	
122011	Park-Merriman Water Main-Final Phase	9,600,066	295,202	7,836	358,709	430,108	6,435,948	725,309	7,161,257	75%	
122012	36-inch Water Main in Telegraph Road	9,870,398	-	-	-	-	9,986,284	-	9,986,284	101%	
122013	Lyon Township Transmission Main Extension Project	105,180,009	9,960,713	37,593,404	37,513,658	18,216,329	357,808	28,177,042	28,534,850	27%	
122016	Downriver Transmission Loop	37,067,100	1,620,310	664,877	664,877	830,542	-	2,450,853	2,450,853	7%	
122017	7 Mile/Nevada Transmission Main Rehab and Carrie/Nevada Flow Control Station	60,188,759	1,454,251	1,943,731	1,943,731	4,592,071	-	6,046,322	6,046,322	10%	
122018	Garland, Hurlbut, Bewick Water Transmission System Rehabilitation	54,102,536	-	1,530,061	1,530,061	1,381,474	-	1,381,474	1,381,474	3%	
132003	Isolation Gate Valves for Line Pumps for West Service Center Pumping Station	1,961,708	-	-	-	-	1,742,479	-	1,742,479	89%	
Pressure and Control Improvements at the Electric, Ford Road, Michigan, and West											
132006	Chica	3,363,699	-	-	-	1,731	3,226,045	1,731	3,227,776	96%	
132007	Energy Management: Freeze Protection Pump Installation at Imlay Pumping Station	5,187,314	927,112	3,962,267	3,962,267	178,038	-	1,105,151	1,105,151	21%	
132008	Needs Assessment Study for all Water Booster Pumping Stations	1,675,441	-	-	-	-	-	-	-	0%	
132010	West Service Center/Duval Rd Division Valve Upgrades	45,142,158	9,058,202	17,149,461	17,149,461	19,117,774	-	28,175,975	28,175,975	62%	
132012	Ypsilanti PS Improvements	35,393,046	515,125	584,384	584,384	144,003	-	659,128	659,128	2%	
132014	Adams Road Booster Pumping Improvements	52,864,694	83,262	203,019	203,019	-	-	83,262	83,262	0%	
132015	Newburgh BPS	45,044,000	444,073	733,037	733,037	49,814	-	493,886	493,886	1%	
132016	North Service Center BPS Improvements	68,255,116	363,478	673,058	673,058	8,337	-	371,816	371,816	1%	
132018	Schoolcraft BPS	47,317	47,317	-	-	-	-	47,317	47,317	100%	
132019	Wick Road BPS - Switchgear	9,358,231	56,912	-	-	-	-	56,912	56,912	1%	
132020	Franklin BPS - Isolation Gate Valves	2,544,535	93,160	-	-	-	-	93,160	93,160	4%	
132021	Imlay BPS - Replace VFDs, Pumps & Motors	749,810	227,346	-	-	-	-	227,346	227,346	30%	
132022	Joy Road BPS - Replace Reservoir Pumps	39,613,214	71,380	276,909	276,909	-	-	71,380	71,380	0%	
132025	Northwest Booster Station Yard Piping Improvements	-	20,306	-	-	-	-	20,306	20,306	0%	
132026	Franklin Pumping Station Valve Replacement	1,006,467	-	-	-	-	975,327	-	975,327	97%	
170102	Water Production Plant Flow Metering Improvements at NE, SP & SW WTP	372,374	373,640	-	-	-	-	373,640	373,640	100%	
170109	Inspection of Raw Water Intakes and Tunnels	1,656,069	-	-	-	-	-	-	-	0%	

**Great Lakes Water Authority**  
**Water System Construction Work-in-Progress (CWIP) FY 2022 Rollforward**  
**Unaudited Activity For the Fiscal Quarter Ended June 30, 2022**

Project	Project Name	Total Project Plan Estimate from FY 2022-2026 CIP	CWIP Balance July 1, 2021	FY 2022 Board Approved CIP With Project Amendments		FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense through June 30, 2022		Life to Date CWIP Balance June 30, 2022	Life to Date Activity Through June 30, 2022		Life to Date Activity / Total Project Plan Estimate
				FY 2022 Board Approved CIP	Amendments		FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense through June 30, 2022		FY 2022 Board Approved CIP	Amendments	
170120	Phosphoric Acid Feed System Improvements at Southwest WTP	1,625	-	-	-	-	634,509	-	634,509	-	39047%	
170200	As Needed Construction Materials, Environmental Media and Special Allowance	1,427,227	-	146	146	-	-	-	-	-	0%	
170300	Water Treatment Plant Automation Program	13,249,000	9,000	6,151,000	4,482,191	(9,000)	-	-	-	-	0%	
170301	Water Plant Automation	-	1,755,142	-	-	-	-	-	1,755,142	1,755,142	0%	
170302	SW WTP SCADA Improvements	9,000,000	74,413	3,605,928	5,274,737	1,066,499	-	-	1,140,911	1,140,911	13%	
170303	WWP WTP Power Monitoring Installation	1,700,000	203,628	514,474	514,474	1,513,001	-	-	1,716,628	1,716,628	101%	
170304	WWP WTP SCADA Upgrade	-	13,947	-	-	247,195	-	-	261,142	261,142	0%	
170400	Water Transmission Improvement Program	33,171,211	-	1,033,961	1,033,961	-	-	-	-	-	0%	
170401	Emergency Bypass Around Ypsilanti Station	1,661,231	-	-	-	-	2,633,282	-	2,633,282	-	159%	
170500	Transmission System Valve Assessment and Rehabilitation/Replacement Program	5,350,164	-	232,066	42,066	-	-	-	-	-	0%	
170503	Transmission System Valve Assessment and Rehabilitation/Replacement B	10,071,663	2,110,241	1,304,975	1,304,975	1,052,943	-	3,163,184	3,163,184	3,163,184	31%	
170504	Repair of WTM, Valves, & Priority Repair	-	-	-	190,000	8,514,195	-	8,514,195	8,514,195	8,514,195	0%	
170600	Water Transmission Main Asset Assessment Program	8,438,215	-	24,218	24,218	-	-	-	-	-	0%	
170800	Reservoir Inspection, Design and Rehabilitation Program	23,827,344	-	321,527	321,527	-	-	-	-	-	0%	
170801	Reservoir Inspection, Design and Rehabilitation	15,090,049	11,457,639	463,000	573,000	6,621,636	7,184,856	10,894,420	18,079,275	18,079,275	120%	
170900	Suburban Water Meter Pit Rehabilitation and Meter Replacement Program	40,718,957	-	1,159,000	1,159,000	-	-	-	-	-	0%	
170901	Suburban Water Meter Pit Rehabilitation and Meter Replacement	10,616,499	8,531,114	2,838,297	1,151,383	1,484,309	7,703,013	2,312,410	10,015,423	10,015,423	94%	
170902	Brownstown Meter Pit Rehabilitation	1,245,254	219,873	593,887	593,887	-	-	219,873	219,873	219,873	18%	
171500	Roof Replacement - Var Facilities Program	22,710,989	-	10,764	10,764	-	-	-	-	-	0%	
171501	Roof Replacements - Var Facilities Program	3,484,352	-	-	-	-	3,354,843	-	3,354,843	3,354,843	96%	
331003	Masonry Replacement and Rehabilitation	25,000,000	-	-	-	-	-	-	-	-	0%	
341001	Security Infrastructure Improvements	9,169,807	8,139,352	567,392	567,392	1,079,340	1,138,691	9,218,693	10,357,384	10,357,384	113%	
351001	Water Facility Lighting Renovations	699,523	6,667	37,632	37,632	-	-	6,667	6,667	6,667	1%	
380600	General Engineering Services Allowance	55,126	-	-	-	-	-	-	-	-	0%	
	As-needed Engineering Services for Concrete Testing, Geotechnical Soil Borings, other Testing Services, and Related Services Allowance	2,130,722	-	455,655	455,655	-	-	-	-	-	0%	
380700	Energy Management: Electric Metering Improvement Program	2,623,926	-	-	-	-	-	-	-	-	0%	
<b>Grand Total</b>		<b>\$ 2,353,709,015</b>	<b>\$ 204,853,029</b>	<b>\$ 179,210,481</b>	<b>180,250,867</b>	<b>\$ 158,984,475</b>	<b>\$ 352,703,319</b>	<b>\$ 272,954,060</b>	<b>\$ 625,657,379</b>	<b>27%</b>		
				<b>Project Amendments:</b>	<b>1,040,387</b>							

## Great Lakes Water Authority

## Wastewater System Construction Work-in-Progress (CWIP) FY 2022 Rollforward

Unaudited Activity For the Fiscal Quarter Ended June 30, 2022

Project	Project Name	Total Project Plan Estimate from FY 2022-2026 CIP	CWIP Balance July 1, 2021	FY 2022 Board Approved CIP			FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense Through June 30, 2022			CWIP Balance June 30, 2022	Life to Date Activity through June 30, 2022	Life to Date Activity / Total Project Plan Estimate
				Board	With Project Amendments	Activity		June 30, 2022	Expense Through June 30, 2022				
211001	Rehabilitation of Primary Clarifiers Rectangular Tanks, Drain Lines, Electrical/Mechanical Building and Pipe Gallery	\$ 54,061,159	\$ -	\$ -	\$ -	\$ -	\$ 54,748,738	\$ -	\$ 54,748,738	\$ -	\$ 54,748,738	101%	
211002	Pump Station No. 2 Pumping Improvements	3,340,152	2,517,234	-	-	-	116,981	-	-	2,634,215	2,634,215	79%	
211003	Rehabilitation of Primary Clarifiers	-	-	-	-	-	-	-	-	-	-	0%	
211004	Pump Station 1 Rack & Grit and MPI Sampling Station 1 Improvements	23,295,382	27,865,682	-	-	-	29,318	27,895,001	(0)	27,895,001	27,895,001	120%	
211005	Pump Station No. 2 Improvements	13,797,096	2,176	-	-	-	12,687	-	-	14,864	14,864	0%	
211006	Pump Station No. 1 Improvements	68,709,404	3,491,519	3,060,848	3,060,848	3,060,848	2,523,125	-	-	6,014,644	6,014,644	99%	
211007	Replacement of Bar Racks and Grit Collection System at Pump Station No. 2	76,228,576	1,509,443	2,303,172	2,303,172	2,303,172	3,808,833	-	-	5,318,275	5,318,275	7%	
211008	Rehabilitation of Ferric Chloride Feed systems at the Pump Station -1 and Complex B Sludge Lines	11,387,944	1,870,766	5,358,083	7,431,083	3,617,544	-	5,488,309	5,488,309	5,488,309	5,488,309	48%	
211009	Rehabilitation of the Circular Primary Clarifier Scum Removal System	13,007,908	39,674	476,043	476,043	161,979	-	201,653	201,653	201,653	201,653	2%	
211010	Rehabilitation of Sludge Processing Complexes A and B	13,934,471	94,270	-	-	67	-	94,337	94,337	94,337	94,337	1%	
211011	WRRF PS1 Screening and Grit Improvements	93,303,153	-	-	-	-	-	-	-	-	-	0%	
212001	Returned Activated Sludge (RAS) Pumps, Influent Mixed Liquor System and Motor Control Centers (MCC) Improvements for Secondary Clarifiers	-	-	-	-	-	34,089,672	-	34,089,672	34,089,672	34,089,672	0%	
212002	Study, Design, & Construction, Management Services for Modified Detroit River Outfall No. 2 - WRRF	-	(0)	-	-	-	10,819,300	(0)	10,819,300	10,819,300	10,819,300	0%	
212003	Aeration System Improvements	14,643,450	-	-	-	-	16,524,875	-	16,524,875	16,524,875	16,524,875	113%	
212004	Project Chlorination/Dechlorination Process Equipment Improvements	5,742,203	5,642,328	-	-	8,173	5,650,501	-	5,650,501	5,650,501	5,650,501	98%	
212005	Rouge River Outfall No. 2 (RRO-2) Segement 1-WWTP Modifications	-	-	-	-	-	251,881	-	251,881	251,881	251,881	0%	
212006	PC-797 Rouge River Outfall Disinfection and CS-1781 Oversight Consulting Services Contract	43,788,731	-	-	-	-	43,788,731	-	43,788,731	43,788,731	43,788,731	100%	
212007	Rehabilitation of the Secondary Clarifiers	49,871,040	2,247	9,900	9,900	-	-	-	-	2,247	2,247	0%	
212008	WRRF Rehabilitation of Intermediate Lift	81,931,310	583,363	2,566,737	2,566,737	385,044	-	968,407	968,407	968,407	968,407	1%	
212009	WRRF Aeration Improvements 3 and 4	73,588,564	-	-	-	-	-	-	-	-	-	0%	
212010	WRRF Conversion of Disinfection of all Flow to Sodium Hypochlorite and Sodium Bisulfite	5,765,452	-	-	-	-	-	-	-	-	-	0%	
213001	Replacement of Belt Filter Presses for Complex I and Upper Level Complex II	-	-	-	-	-	36,669,231	-	36,669,231	36,669,231	36,669,231	0%	
213002	Rehabilitation of Central Offload Facility	-	-	-	-	-	-	-	-	-	-	0%	
213003	Sewage Sludge Incinerator Air Quality Improvements at WRRF	-	-	-	-	-	36,675,871	-	36,675,871	36,675,871	36,675,871	0%	
213004	Biosolids Dryer Facility at WRRF	-	-	-	-	-	2,408,470	-	2,408,470	2,408,470	2,408,470	0%	
213005	Complex I Incinerators Decommissioning and Reusability	-	-	-	-	-	739,342	-	739,342	739,342	739,342	0%	
213006	Improvements to Sludge Feed Pumps at Dewatering Facilities	4,489,934	194,357	342,468	342,468	102,643	-	297,000	297,000	297,000	297,000	7%	
213007	Construction of the Improved Sludge Conveyance and Lighting System at the WWTP	22,162,273	20,120,012	2,499,064	3,349,064	1,668,957	-	21,788,969	21,788,969	21,788,969	21,788,969	98%	
213008	Rehabilitation of the Wet and Dry Ash Handling Systems	8,432,039	151,058	295,324	295,324	-	-	151,058	151,058	151,058	151,058	2%	
213009	Phosphorous Recovery Facility at the WWRF	-	-	-	-	-	-	-	-	-	-	0%	
214001	Relocation of Industrial Waste Division and Analytical Laboratory Operations	12,651,082	11,949,799	-	-	68,124	14,300,183	0	14,300,183	14,300,183	14,300,183	113%	
215001	Rehabilitation of Combined Sewer Overflow (CSO) Retention Treatment Basins (RTB), Screening and Disinfection Facilities (SDF)	-	0	-	-	-	1,699,489	0	1,699,489	1,699,489	1,699,489	0%	
216001	Underground Electrical Duct Bank Repair and EB-1, EB-2, and EB-10 Primary Power Service	-	-	-	-	-	32,685,875	-	32,685,875	32,685,875	32,685,875	0%	
216002	Improvements - WRRF	-	-	-	-	-	849,278	-	849,278	849,278	849,278	0%	
216003	Plant-wide Fire Alarm Systems Upgrade/ Integration and Fire Protection Improvements	-	-	-	-	-	-	-	-	-	-	0%	
216004	Repair Potable Water, Screened Final Effluent, natural Gas, and Compressed Air Pipelines at the WWTP	-	-	-	-	-	-	-	-	-	-	0%	
216005	Rehabilitation of Various Sampling Sites and PS# 2 Ferric Chloride System at WWTP	6,645,397	3,070,854	75,940	293,860	3,267,937	-	6,338,791	6,338,791	6,338,791	6,338,791	95%	
216006	Rehabilitation of the Screened Final Effluent (SFE) Pump Station and Secondary Water System	23,874,377	1,038,944	558,406	1,243,856	2,722,589	-	3,761,533	3,761,533	3,761,533	3,761,533	16%	
216007	DTE Primary Electric 3rd Feed Supply Line to the WRRF	4,544,429	3,380,783	393,514	393,514	83,964	4,008,247	(0)	4,008,247	4,008,247	4,008,247	88%	
216008	Rehabilitation of Screened Final Effluent (SFE) Pump Station	40,820,651	262,035	906,386	906,386	1,402,972	-	1,665,007	1,665,007	1,665,007	1,665,007	4%	
216009	Logistics & Material Facility	-	164,904	-	-	-	-	-	-	-	-	0%	

## Great Lakes Water Authority

Wastewater System Construction Work-in-Progress (CWIP) FY 2022 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended June 30, 2022

Project	Project Name	Total Project Plan Estimate from FY 2022-2026 CIP	CWIP Balance July 1, 2021	FY 2022 Board Approved CIP With Project Amendments			FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense Through June 30, 2022	CWIP Balance June 30, 2022	Life to Date Activity through June 30, 2022	Life to Date Activity / Total Project Plan Estimate
				FY 2022 Board Approved CIP	FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense Through June 30, 2022					
216010	WRRF Facility Optimization	10,270,771	-	57,420	57,420	-	-	-	-	-	0%
216011	WRRF Structural Improvements	12,333,080	-	2,051,568	2,051,568	25,011	-	25,011	25,011	25,011	0%
216012	WRRF Research Facility	-	-	-	-	14,071	14,071	-	-	14,071	0%
222001	Intercommunity Relief Sewer Modifications in Detroit Oakwood District	53,397,144	475,416	790,559	1,453,944	1,337,274	-	1,812,691	1,812,691	1,812,691	3%
222002	Detroit River Interceptor Evaluation and Rehabilitation	72,775,106	37,097,586	11,191,618	3,456,645	5,181,321	-	42,278,907	42,278,907	42,278,907	58%
222003	North Interceptor East Arm (NIEA) Evaluation and Rehabilitation	-	-	-	-	-	-	-	-	-	0%
222004	Collection System Valve Remote Operation Structures Improvements	-	-	4,246	-	-	-	-	4,246	4,246	0%
222005	Collection System Access Hatch Improvements	-	-	-	-	-	-	-	-	-	0%
	North Interceptor East Arm (NIEA) Evaluation and Rehabilitation from WRRF to Gratiot Ave. and Sylvester St.	-	-	-	-	-	-	-	-	-	0%
232001	Fairview Pumping Station - Replace Four Sanitary Pumps	40,073,406	30,371,550	12,781,009	10,101,897	8,415,460	-	38,787,010	38,787,010	38,787,010	97%
232002	Freud and Connor Creek Pump Station Improvements	229,278,758	4,582,109	3,357,420	3,357,420	6,011,338	6,000,596	10,570,678	16,571,274	16,571,274	7%
232003	Northeast Pump Station Improvements	-	-	-	-	-	-	-	-	-	0%
232004	CONDITION ASSESSMENT AT BLUE HILL PUMP STATION	257,420	-	-	-	-	-	-	-	-	0%
233002	Collection System In System Storage Devices(ISOs) Improvements	-	-	-	-	-	-	1,524,819	(1,524,819)	-	0%
233003	Rouge River In-system Storage Devices	46,317,488	-	-	-	-	-	-	-	-	0%
251002	Wastewater System Wide Instrumentation & Controls Software and Hardware Upgrade	-	-	-	-	-	-	-	-	-	0%
260100	Water Resource Recovery Facility (WRRF), Lift Station & Wastewater Collection System Allowance	-	-	-	-	-	-	-	-	-	0%
260101	Plant-Wide Replacement of Emergency Lighting	-	-	-	-	-	-	1,245,972	-	1,245,972	0%
260102	Replace Stairs - WWTP	-	-	-	-	-	-	109,082	-	109,082	0%
260103	Replace 4 DS-706 Centrifuges WWTP	-	-	-	-	-	-	779,079	-	779,079	0%
260104	Pur Installation of EB-25 Unit WWTP	-	-	-	-	-	-	20,768	-	20,768	0%
260105	Replace Various Air Distribution Equip	-	-	-	-	-	-	867,574	-	867,574	0%
260107	Pump Station 2 Replacement	-	-	-	-	-	-	-	-	-	0%
260108	Sanitary Meter Replacement: Neff Road	-	-	-	-	-	-	376,613	-	376,613	0%
260111	W-3 Construct: Overhead Door	-	-	-	-	-	-	551,169	-	551,169	0%
260112	Connor Creek	-	-	-	-	-	-	353,889	-	353,889	0%
260113	Fire Remediation	-	-	-	-	-	-	19,427,582	-	19,427,582	0%
260200	Sewer and Interceptor Evaluation and Rehabilitation Program	53,748,897	-	-	-	-	-	-	-	-	0%
260201	Conveyance System Interceptor Rehab	32,282,349	10,587,039	1,479,167	1,479,167	5,820,098	18,542,127	16,407,136	34,949,263	34,949,263	108%
260202	Conveyance System Interceptor Rehab	-	1,904	-	-	-	-	-	1,904	1,904	0%
260203	Conveyance System Interceptor Rehab	-	-	-	-	-	-	4,642,133	-	4,642,133	0%
260204	Energy Services for Rehabilitation of Conveyance Sewer System	52,157,408	943,846	11,646,299	10,669,272	979,257	-	1,923,103	1,923,103	1,923,103	4%
260205	NWI Outfall Rehabilitation	10,937,891	267,139	5,045,936	5,045,936	67,610	-	334,750	334,750	334,750	3%
260206	Conveyance System Rehabilitation - Interceptors	47,821,376	22,180	7,045,936	7,045,936	373,499	-	395,678	395,678	395,678	1%
260207	Rehabilitation of Woodward Sewer System	-	1,229,440	-	-	-	2,347,331	-	3,576,770	3,576,770	0%
260208	Linwood/Lonyo/Ashland/2nd Ave/Shiawassee	-	-	-	-	-	34,697	-	34,697	34,697	0%
260300	Schedule Replacement Program of Critical Assets	-	-	-	-	-	-	-	-	-	0%
260301	Roof Replacement of Complex II	-	-	-	-	-	-	1,672,747	-	1,672,747	0%
260400	Sewage Meter Design, Installation, Replacement and Rehabilitation Program	-	-	-	-	-	-	-	-	-	0%
260500	CSO Outfall Rehab	5,000,000	-	832,953	832,953	-	-	-	-	-	0%
260501	CSO Outfall Rehab	-	-	-	-	-	-	-	-	-	0%
260502	CSO Outfall Rehab	-	-	-	-	-	-	3,330,002	-	3,330,002	0%
260503	Collection System Backwater Gates	-	-	-	-	-	-	-	-	-	0%
260504	Rehabilitation of Outfalls - Phase II	5,051,112	-	-	-	-	22,843	4,900,746	22,843	4,923,589	97%
260505	Rehabilitation of Outfalls - Phase IV	5,718,385	4,938,825	640,637	640,637	770,834	5,709,659	-	5,709,659	5,709,659	100%
260506	Pilot Regulator Orifice Expansion	-	78,641	-	-	-	-	-	78,641	78,641	0%
260508	B-39 Outfall Rehab	568,620	150,000	180,517	4,004,869	723,311	-	873,311	873,311	873,311	154%
260509	B-40 Outfall Rehab	88,500	77,621	-	-	4,687	-	82,308	82,308	82,308	93%

## Great Lakes Water Authority

Wastewater System Construction Work-in-Progress (CWIP) FY 2022 Rollforward  
Unaudited Activity For the Fiscal Quarter Ended June 30, 2022

Project	Project Name	Total Project Plan Estimate from FY 2022-2026 CIP	CWIP Balance July 1, 2021	FY 2022 Board Approved CIP With Project Amendments			FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense Through June 30, 2022	CWIP Balance June 30, 2022	Life to Date Activity through June 30, 2022	Life to Date Activity / Total Project Plan Estimate
				FY 2022 Board Approved CIP	FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense Through June 30, 2022					
260510	Conveyance System Rehabilitation - Outfalls	48,863,036	34,594	7,709,560	3,885,208	868,052	-	902,646	902,646	2%	
260600	CSO Facilities Improvements	126,400,000	-	1,000,000	-	-	-	-	-	-	0%
260601	Oakwood Drain Valve Improvements	864,218	-	-	-	-	804,574	-	804,574	93%	
260602	CSO Fire Alarm System Improvements	997,619	-	-	-	-	997,619	-	997,619	100%	
260603	Conner Creek CSO Basin Rehab	7,898,362	7,518,411	-	-	222,889	7,675,407	65,894	7,741,300	98%	
260604	Baby Creek CSO Rehab	-	-	-	-	-	366,612	-	366,612	0%	
260605	CSO Facilities CA	-	-	-	-	-	-	-	-	-	0%
260606	Puritan Fenkell Roof Replacement	346,540	-	-	-	-	346,540	-	346,540	100%	
260607	Lieb SDF Electrical Improvements	1,032,687	(0)	-	-	-	1,032,508	(0)	1,032,508	100%	
260608	Seven Mile RTB - Roof Replacement	496,699	-	-	-	-	496,699	-	496,699	100%	
260609	Seven Mile RTB - Parking Lot / Sitework	416,597	-	-	-	-	429,557	-	429,557	103%	
260610	Baby Creek MAU Replacement	275,151	-	-	-	-	275,151	-	275,151	100%	
260611	HVAC Improvements At Lieb SDF	395,615	-	-	-	-	412,590	-	412,590	104%	
260613	Baby Creek HVAC Improvements	587,628	529,906	-	-	15,494	545,401	-	545,401	93%	
260614	CSO Facilities Structural Improvements	13,794,118	2,352,725	4,422,021	4,422,021	4,664,103	108,338	6,908,490	7,016,828	51%	
260615	PF & Lieb CSO Facilities Site & Drainage Improvements	801,140	382,407	199,240	199,240	200,037	582,444	-	582,444	73%	
260616	Baby Creek SCO Anchor & Wedge Improvements	782,863	-	-	-	-	770,114	-	770,114	98%	
260617	St. Aubin Chemical Disinfection Improvements	6,966,364	417,052	387,420	387,420	-	-	417,052	417,052	6%	
260618	Oakwood HVAC Improvements	3,966,512	370,525	3,235,005	5,335,005	4,479,882	-	4,850,407	4,850,407	122%	
260619	Control System Upgrade At St. Aubin, Lieb and 7 Mile	116,179	62,766	-	-	-	-	62,766	62,766	54%	
260620	Baby Creek Roof Replacement	640,500	25,848	-	-	585,083	-	610,931	610,931	95%	
260621	Connor Creek Berm Improvements	-	284,034	-	-	1,934,718	-	2,218,752	2,218,752	0%	
260622	CSO Facilities Emergency Generator Improvements	-	893	-	-	94,562	-	95,455	95,455	0%	
260623	Baby Creek Screen Rehabilitation	-	-	-	-	22,933	-	22,933	22,933	0%	
260700	Sewer System Infrastructure Improvements & Pumping Stations	35,901,492	-	3,660,745	3,660,745	-	-	-	-	-	0%
260701	Conveyance System Infrastructure Improvements	4,586,079	1,384,239	1,356,302	1,356,302	857,199	-	2,241,437	2,241,437	49%	
260702	Pump Station Assets Updates	669,000	-	-	-	-	-	-	-	-	0%
260801	WRRF Sludge Pump Station #3 Roof Replacement	-	-	-	-	-	80,463	-	80,463	0%	
260901	Rehab. Hazmat Facility at WRRF	-	131,014	-	-	95,988	-	227,002	227,002	0%	
260902	WRRF Renovation of 4th Floor	-	49,160	-	-	15,989	-	65,149	65,149	0%	
260903	WRRF Front Entrance Rehab.	-	-	-	-	136,823	-	136,823	136,823	0%	
270001	Pilot CSO Netting Facility	9,573,092	235	13,420	13,420	94	-	329	329	0%	
270002	Meldrum Sewer Diversion and VR-15 Improvements	5,839,631	-	8,580	8,580	-	-	-	-	-	0%
270003	Long Term CSO Control Plan	9,267,841	5,596	3,798,606	3,798,606	2,688,516	2,694,112	-	2,694,112	29%	
270004	Oakwood Lieb CSO Facility Improvement	-	3,564	-	-	66,344	-	69,908	69,908	0%	
270005	CSO Safety Improvements & Building Rehab	-	-	-	-	-	-	-	-	-	0%
270006	Control System Upgrades - Baby Creek/Belle	-	-	-	-	60,163	-	60,163	60,163	0%	
270007	Disinfection System Improvements at CSO	-	-	-	-	285	-	285	285	0%	
270014	Convert to Complete Capture Basin CSO Fa	-	-	-	-	-	-	-	-	-	0%
273001	Hubbell Southfield CSO Facility Improvement	-	-	-	-	424,992	-	424,992	424,992	0%	
274001	Leib Improvements for Meldrum Diversion	10,941,804	-	254,232	254,232	-	-	-	-	-	0%
277001	Baby Creek Outfall Improvements Project	18,825,761	19,228	1,807,420	1,807,420	483,382	465,167	37,444	502,611	3%	
278001	Oakwood Improvements for NWI Diversion	10,225,804	-	251,772	251,772	-	-	-	-	-	0%
	Roofing Systems Replacement at GLWA Wastewater Treatment Plant, CSO Retention Treatment Basins										
331002	(RTB) and Screening Disinfection Facilities (SDF)	8,888,476	-	1,276,569	1,276,569	-	1,123,056	-	1,123,056	13%	
341001	Security Infrastructure Improvements										0%
341002	Security Infrastructure Improvements	3,533,510	2,934,004	722,226	722,226	444,610	181,525	3,197,089	3,378,614	96%	
361001	Consolidated Process Control System Upgrades	-	-	-	-	-	315,627	-	315,627	0%	
361002	Data Center Reliability/Availability Improvements	-	-	-	-	-	17,253	-	17,253	0%	
361003	SCADA Radio Network Upgrade	-	-	-	-	-	852,872	-	852,872	0%	
380400	As-needed CIP Implementation Assistance and Related Services	-	-	-	-	-	-	-	-	-	0%

Great Lakes Water Authority  
 Wastewater System Construction Work-in-Progress (CWIP) FY 2022 Rollforward  
 Unaudited Activity For the Fiscal Quarter Ended June 30, 2022

Project	Project Name	Total Project Plan Estimate from FY 2022-2026 CIP	CWIP Balance July 1, 2021	FY 2022 Board Approved CIP			FY 2022 Activity through June 30, 2022	Life to Date Capitalization / Expense Through June 30, 2022	CWIP Balance June 30, 2022	Life to Date Activity through June 30, 2022	Life to Date Activity / Total Project Plan Estimate
				Board Approved CIP	With Project	Amendments					
380401	PMA: As Needed CIP Services	-	-	-	-	-	-	-	-	-	0%
380500	Department-wide General Engineering Services on an As-needed Basis	-	-	-	-	-	-	-	-	-	0%
380501	MetcoServices:General Engineer	-	-	-	-	-	-	-	-	-	0%
380600	General Engineering Services Allowance	-	-	-	-	-	-	-	-	-	0%
380601	General Engineering Services Allowance	-	-	-	-	-	-	-	-	-	0%
380701	Engineering Svc Concrete Testing,Soil Borings	-	-	-	-	-	-	-	-	-	0%
380801	Nth Consultants: As needed GIS	-	-	-	-	-	-	-	-	-	0%
380900	General Engineering Services Allowance	-	-	-	-	-	-	-	-	-	0%
380901	Sigma Assoc: General Engineering	-	-	-	-	-	-	-	-	-	0%
381000	Energy Management: Electric Metering Improvement Program	-	-	-	-	-	-	-	-	-	0%
900015	#N/A	-	-	-	-	-	-	846,541	-	846,541	0%
276002	Replacement Make-up Air Unit at CON	-	-	-	-	-	8,172	-	8,172	8,172	0%
260209	Sewer Repair Contract - As Needed	-	-	-	-	-	3,836	-	3,836	3,836	0%
260802	2022 WRRF Roof Improvements Project	-	-	-	-	-	44,637	-	44,637	44,637	0%
260904	WRRF 3rd Floor Renovation	-	-	-	-	-	2,752	-	2,752	2,752	0%
261001	Rehabilitation of Secondary Clarifiers	-	-	-	-	-	738	-	738	738	0%
260210	Linwood/Lonyo/Ashland/2nd Ave/Shiawassee	-	-	-	-	-	209	-	209	209	0%
<b>Grand Total</b>		<b>\$ 1,782,153,110</b>	<b>\$ 191,120,285</b>	<b>\$ 106,050,041</b>	<b>\$ 100,248,682</b>	<b>\$ 70,532,064</b>	<b>\$ 415,376,481</b>	<b>\$ 193,100,463</b>	<b>\$ 608,476,945</b>	<b>34%</b>	
Project Amendments: (5,801,359)											

## Appendix C - Project Amendment Summaries

The purpose of the Project Amendment Summary is to illustrate the amendments to the current fiscal year board approved CIP for each project with an amendment resulting from the use of allowance and program funding for a specific amount necessitated by contract award.

The award of CIP contracts and the related execution thereof may result in deviation from the amount and timing of planned spend. Acknowledging the aforementioned deviation, project amendments are prepared to fund the related increase or decrease either to or from the Capital Reserve to amend the current fiscal year board approved Capital Improvement Plan accordingly and to inform decision makers in the development of future Capital Improvement Plans. Similar to the project amendments prepared for the Capital Reserve, project amendments are also prepared for contracts that are planned or funded by way of the CIP Program and Allowance accounts. As additional contracts are awarded, and other project information becomes available additional project amendments to and from the Capital Reserve will be prepared to amend the board approved FY 2022 Capital Improvement Plan.

**\$1,040,387** of Capital Reserve project amendments have been prepared as of June 30, 2022, as shown for the Water System in C1 with project amendments detailing the assignment of funding within Program and Allowance accounts.

**\$5,801,359** of Capital Reserve project amendments have been prepared as of June 30, 2022, as shown for the Wastewater system in C2 with project amendments detailing the assignment of funding within Program and Allowance accounts.

The order of these appendices on the subsequent pages are in ascending order by CIP project number.

**Great Lakes Water Authority**  
**Water System Project Amendment Summary**  
**Unaudited Activity For the Fiscal Quarter Ended June 30, 2022**

Project	Project Name	Capital Reserve	Program / Allowance	Grand Total
111012	LHWTP-Flocculation Improvements	\$ 973,000		\$ 973,000
113006	SW WTP Chloring Scrubber	(1,877,433)		(1,877,433)
114016	Springwells Water Treatment Plant 1958 Settled Water Conduits Concrete Pavement Replacement	335,000		335,000
115001	Yard Piping, Valves and Venturi Meters Replacement at Water Works Park	487,201		487,201
122006	Transmission System Water Main Work-Wick Road Parallel Water Main	470,765		470,765
122013	Lyon Township Transmission Main Extension Project	(79,745)		(79,745)
170300	Water Treatment Plant Automation Program		(1,668,809)	(1,668,809)
170302	SW WTP SCADA Improvements		1,668,809	1,668,809
170500	Transmission System Valve Assessment and Rehabilitation/Replacement Program		(190,000)	(190,000)
170504	Repair of WTM, Valves, & Priority Repair		190,000	190,000
170801	Reservoir Inspection, Design and Rehabilitation		110,000	110,000
116005	Belle Isle Seawall Rehabilitation	(242,102)		(242,102)
170901	Suburban Water Meter Pit Rehabilitation and Meter Replacement	(1,686,914)		(1,686,914)
122004	96-inch Main Relocation, Isolation Valves Installations, and New Parallel Main	2,199,742		2,199,742
122011	Park-Merriman Water Main-Final Phase	350,873		350,873
<b>Grand Total</b>		<b>\$ 1,040,387</b>	<b>\$ -</b>	<b>\$ 1,040,387</b>

**Great Lakes Water Authority**  
**Wastewater System Project Amendment Summary**  
**Unaudited Activity For the Fiscal Quarter Ended June 30, 2022**

Project	Project Name	Capital Reserve	Program / Allowance	Grand Total
211008	Rehabilitation of Ferric Chloride Feed systems at the Pump Station -1 and Complex B Sludge Lines	\$ 2,073,000		\$ 2,073,000
260508	B-39 Outfall Rehab		3,824,352	3,824,352
260510	Conveyence System Rehabilitation - Outfalls		(3,824,352)	(3,824,352)
260600	CSO Facilities Improvements		(1,000,000)	(1,000,000)
260618	Oakwood HVAC Improvements	1,100,000	1,000,000	2,100,000
213007	Construction of the Improved Sludge Conveyance and Lighting System at the WWTP	850,000		850,000
216004	Rehabilitation of Various Sampling Sites and PS# 2 Ferric Chloride System at WWTP	217,920		217,920
216006	Rehabilitation of the Screened Final Effluent (SFE) Pump Station and Secondary Water System	685,450		685,450
222002	Detroit River Interceptor Evaluation and Rehabilitation	(7,734,973)		(7,734,973)
232001	Fairview Pumping Station - Replace Four Sanitary Pumps	(2,679,113)		(2,679,113)
222001	Intercommunity Relief Sewer Modifications in Detroit Oakwood District	663,385		663,385
260204	Energy Services for Rehabilitation of Conveyance Sewer System	(977,028)		(977,028)
<b>Grand Total</b>		<b>\$ (5,801,359)</b>	<b>\$ -</b>	<b>\$ (5,801,359)</b>

# Procurement Pipeline



Great Lakes Water Authority (313) 964-9157

[www.glwater.org](http://www.glwater.org)

September 2022 - Volume 42

**Welcome to the September edition of *The Procurement Pipeline*, a monthly newsletter designed to provide updates on doing business with the Great Lakes Water Authority (GLWA).**

## New! Diversity Certifications Added to Vendor Profiles in GLWA's Bonfire Procurement Portal

As part of GLWA's Business Inclusion and Diversity (B.I.D.) Program, which was formally launched in February 2021, new vendor registration fields have been added to the [Bonfire Procurement Portal](#). When creating a profile in Bonfire, vendors will now be able to identify themselves as a certified business in the following categories:

- ✓ Small Business Enterprise (SBE);
- ✓ Minority-owned Business Enterprise (MBE);
- ✓ Disadvantaged Business Enterprise (DBE); and/or
- ✓ Woman-owned Business Enterprise (WBE).

Vendors holding certifications in more than one category can identify this as such when updating. In addition, vendors already registered in GLWA's Bonfire Procurement Portal will be prompted to update these new registration fields the next time they log into their Bonfire account(s).

GLWA's B.I.D. Program is designed to maximize opportunities for small, minority-owned, and disadvantaged businesses within GLWA's service area so that they may effectively compete to do business with GLWA. We therefore strongly encourage all vendors to update their Bonfire profiles. Providing this information will enable GLWA to better track the diversity certifications that our Vendor Community holds and help us refine our B.I.D. Program in the future to ensure that it continues to serve our small, minority-owned, women-owned, and disadvantaged business community efficiently and effectively.

Any questions about GLWA's B.I.D. Program or Vendor Diversity Certifications may be directed via email to [Michael Lasley](#) and [Megan Savage](#). For technical assistance navigating the Bonfire Procurement Portal, please reach out to Bonfire [Technical Support](#) for additional guidance.

## Coronavirus Update #170: GLWA Mask Mandate Lifted at all GLWA Facilities & Project Worksites

On September 2, 2022 GLWA issued [Coronavirus Update #170](#) to the Vendor Community, indicating all the counties where staffed GLWA facilities or project worksites were no longer "RED" on the Centers for Disease Control and Prevention (CDC) [Community Levels](#) list. As stated previously in [Coronavirus Update #159](#), this means that the wearing of facing masks is currently optional for Vendors providing onsite services at GLWA facilities or project worksites regardless of their location until further notice. Any questions regarding this matter should be directed to [Michael Lasley](#) and [Megan Savage](#).

## Virtual Vendor Introduction Meetings

If you are interested in learning more about doing business with GLWA, contact us at [GLWAVendorOutreach@glwater.org](mailto:GLWAVendorOutreach@glwater.org) to schedule a virtual vendor introduction meeting. Topics include information on submitting a competitive bid or proposal to a GLWA solicitation, as well as the requirements for GLWA's Business Inclusion and Diversity (B.I.D.) Program.

## Keeping up with GLWA

Our Chief Executive Officer (CEO) Monthly Report provides a wealth of information and news about important initiatives within GLWA's service territory that impact GLWA, its member partners, and the public. To read the August 2022 Monthly Report, please [click here](#).

## What's Coming Down the Pipe?

**Current Solicitations:** Register in GLWA's [Bonfire Procurement Portal](#) for new solicitations and contract award information.

**Upcoming Procurements:** Next Three to Nine Months—See newsletter page 2.

## Visit GLWA online!

To see the GLWA Vendor homepage, please visit [www.glwater.org](http://www.glwater.org) or contact us via email at [procurement@glwater.org](mailto:procurement@glwater.org).

## Upcoming Solicitations September 2022

Category	CIP #	Description/Project Title	Budget Estimate
<b>Water System (next four to nine months)</b>			
Construction	170802	Reservoir Rehabilitation Construction Services Phase II at Waterworks Park, Northeast, and Booster Stations.	\$35,972,000
Construction	114002C	Springwells WTP Low and High Lift Pumping Station Improvements	\$133,000,000
<b>Wastewater Systems (next four to nine months)</b>			
Construction	260802	WRRF Roofing Improvements	\$4,300,000
Construction	232002	Freud Pump Station Improvements	\$75,000,000
Design	270001	Pilot Netting Facility	\$6,000,000
Design-Build	261001	WRRF Rehabilitation of Secondary Clarifiers	\$6,000,000
<b>Water System (next three months)</b>			
Materials & Equipment	114002E-G	Springwells WTP Pumping Unit Procurement Package (Contract E thru G)	\$57,000,000
Materials & Equipment	114002H-J	Springwells WTP Process Valve Procurement Package (Contract H thru J)	\$14,000,000
<b>Wastewater (next three months)</b>			
Construction	260510	Conveyance System Repairs- CSO Outfalls Rehabilitation -Phase 5	\$10,000,000
Construction	260903	WRRF Front Entrance Rehabilitation	\$3,300,000
Construction	O&M	Plumbing Shop Rehabilitation	\$1,500,000
Construction	260901	Rehabilitation of Hazmat (rebidding)	\$2,000,000
<b>Projects moved to Procurement Team (Preparing for solicitation on Bonfire)</b>			
Construction	211006	Pump Station #1 Screenings Building HVAC Improvements	\$1,200,000
Design-Build	212008	Aeration Decks 1 & 2 RFP (invite to RFQ selected teams only)	\$74,000,000
Construction	O&M	Incinerator #11 Rehabilitation	\$3,000,000
Construction	260206	Rehabilitation of Joy Road & Brush/Bates Sewers	\$16,000,000
Engineering Services	273001	Hubbell Southfield CSO Facility Improvements	\$8,554,480
Professional Services	O&M	Professional Technical Services for Sewer Meter Support	\$8,500,000
Construction	114017	Springwells WTP 1958 Flocculator Replacements	\$22,945,000

Vendors should continue to monitor [Bonfire](#) for solicitation updates.

Acronyms		
WRRF: Water Resource Recovery Facility	CSO: Combined Sewer Overflow	WTP: Water Treatment Plant